

# **Department of Social Services**

## **Division of Medical Services**

### **Fiscal Year 2007 Budget Request**

**K. Gary Sherman, Director**

*Printed with Governor's Recommendations*

Page No.	Dept. Rank	Decision Item Name	Department Amended Request					Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
		<b>Medical Services</b>										
		<b>Administration</b>										
60	1	Core	263.71	3,692,265	8,234,126	1,968,524	13,894,915	263.71	3,692,265	8,234,126	1,968,524	13,894,915
	2	General Structure Adjustment	0.00	0	0	0	0	0.00	143,442	172,594	55,175	371,211
	3	Two Step Repositioning	0.00	0	0	0	0	0.00	9,279	14,766	2,137	26,182
71	25	Federal Authority for MO Rx Program Staff	0.00	0	184,561	0	184,561	0.00	0	184,561	0	184,561
		<i>Total</i>	263.71	3,692,265	8,418,687	1,968,524	14,079,476	263.71	3,844,986	8,606,047	2,025,836	14,476,869
		<b>MO Rx Commission</b>										
		Core	0.00	0	0	0	0	0.00	0	0	0	0
78	999	SB 539 MO Rx Advisory Commission	0.00	0	0	0	0	4.00	400,733	0	0	400,733
		<i>Total</i>	0.00	0	0	0	0	4.00	400,733	0	0	400,733
		<b>Health Care Technology</b>										
		Core	0.00	0	0	0	0	0.00	0	0	0	0
84	34	Healthcare Technology Expend	0.00	0	0	0	0	0.00	0	25,000,000	25,000,000	50,000,000
		<i>Total</i>	0.00	0	0	0	0	0.00	0	25,000,000	25,000,000	50,000,000
		<b>Pharmacy Program Management</b>										
95	1	Core	0.00	2,301,123	3,602,788	5,085,805	10,989,716	0.00	2,301,123	3,602,788	5,085,805	10,989,716
		<i>Total</i>	0.00	2,301,123	3,602,788	5,085,805	10,989,716	0.00	2,301,123	3,602,788	5,085,805	10,989,716
		<b>Women &amp; Minority Health Care Outreach</b>										
103	1	Core	0.00	546,125	568,625	0	1,114,750	0.00	546,125	568,625	0	1,114,750
		<i>Total</i>	0.00	546,125	568,625	0	1,114,750	0.00	546,125	568,625	0	1,114,750
		<b>Medicaid Revenue Maximization Unit</b>										
110	1	Core	4.00	0	91,514	91,514	183,028	4.00	0	91,514	91,514	183,028
	2	General Structure Adjustment	0.00	0	0	0	0	0.00	0	3,336	3,336	6,672
		<i>Total</i>	4.00	0	91,514	91,514	183,028	4.00	0	94,850	94,850	189,700
		<b>TPL Contracts</b>										
117	1	Core	0.00	0	3,000,000	3,000,000	6,000,000	0.00	0	3,000,000	3,000,000	6,000,000
		<i>Total</i>	0.00	0	3,000,000	3,000,000	6,000,000	0.00	0	3,000,000	3,000,000	6,000,000
		<b>Information Systems</b>										
126	1	Core	0.00	5,522,417	18,276,039	0	23,798,456	0.00	5,522,417	18,276,039	0	23,798,456
134	22	Information Systems Consultant	0.00	175,000	1,575,000	0	1,750,000	0.00	175,000	1,575,000	0	1,750,000
		<i>Total</i>	0.00	5,697,417	19,851,039	0	25,548,456	0.00	5,697,417	19,851,039	0	25,548,456
		<b>MC+ Enrollment</b>										
141	1	Core	0.00	0	1,910,113	0	1,910,113	0.00	0	1,910,113	0	1,910,113
		<i>Total</i>	0.00	0	1,910,113	0	1,910,113	0.00	0	1,910,113	0	1,910,113
		<b>Pharmacy</b>										
150	1	Core	0.00	93,703,877	278,837,731	68,037,897	440,579,505	0.00	93,703,877	278,837,731	68,037,897	440,579,505
	6	CtoC--Medicaid Programs	0.00	18,511,765	29,796,600	0	48,308,365	0.00	18,511,765	29,796,600	0	48,308,365
12	10	Caseoad Growth	0.00	10,539,720	16,964,767	0	27,504,487	0.00	10,539,720	16,964,767	0	27,504,487
161	11	Pharmacy Utilization Elderly and Disabled	0.00	7,875,829	12,676,960	0	20,552,789	0.00	7,875,829	12,676,960	0	20,552,789
26	12	Pharmacy Inflation/New Drugs & Therapies	0.00	35,618,194	57,331,163	0	92,949,357	0.00	29,994,268	48,278,875	0	78,273,143
168	17	Part D Excluded Drugs	0.00	16,920,245	27,234,882	0	44,155,127	0.00	16,920,245	27,234,882	0	44,155,127
43	21	FMAP	0.00	2,456,499	0	0	2,456,499	0.00	2,456,499	0	0	2,456,499
		<i>Total</i>	0.00	185,626,129	422,842,103	68,037,897	676,506,129	0.00	180,002,203	413,789,815	68,037,897	661,829,915

Page No.	Dept. Rank	Decision Item Name	Department Amended Request					Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
Pharmacy - Medicare Part D Clawback												
176	1	Core	0.00	198,690,297	436,154,164	0	634,844,461	0.00	198,690,297	436,154,164	0	634,844,461
182	5	GR Replacement for PFRA and Rebates	0.00	21,609,703	0	0	21,609,703	0.00	21,609,703	0	0	21,609,703
		Total	0.00	220,300,000	436,154,164	0	656,454,164	0.00	220,300,000	436,154,164	0	656,454,164
Missouri Rx Plan												
188	1	Core	0.00	0	0	19,602,166	19,602,166	0.00	0	0	19,602,166	19,602,166
		Total	0.00	0	0	19,602,166	19,602,166	0.00	0	0	19,602,166	19,602,166
Physician												
196	1	Core	0.00	129,991,536	229,979,191	4,194,685	364,165,412	0.00	129,991,536	229,979,191	4,194,685	364,165,412
1	6	CtoC--Medicaid Programs	0.00	11,756,291	18,922,966	0	30,679,257	0.00	11,756,291	18,922,966	0	30,679,257
12	10	Caseload Growth	0.00	5,613,799	9,035,990	0	14,649,789	0.00	5,613,799	9,035,990	0	14,649,789
43	21	FMAP	0.00	0	942,591	0	942,591	0.00	0	942,591	0	942,591
		Total	0.00	147,361,626	258,880,738	4,194,685	410,437,049	0.00	147,361,626	258,880,738	4,194,685	410,437,049
Dental												
210	1	Core	0.00	1,821,346	4,516,746	919,935	7,258,027	0.00	1,821,346	4,516,746	919,935	7,258,027
1	6	CtoC--Medicaid Programs	0.00	687,020	1,105,830	0	1,792,850	0.00	687,020	1,105,830	0	1,792,850
12	10	Caseload Growth	0.00	26,307	42,344	0	68,651	0.00	26,307	42,344	0	68,651
43	21	FMAP	0.00	47,320	0	0	47,320	0.00	47,320	0	0	47,320
		Total	0.00	2,581,993	5,664,920	919,935	9,166,848	0.00	2,581,993	5,664,920	919,935	9,166,848
Premium Payments												
218	1	Core	0.00	47,434,387	78,001,177	0	125,435,564	0.00	47,434,387	78,001,177	0	125,435,564
12	10	Caseload Growth	0.00	2,021,165	3,253,274	0	5,274,439	0.00	2,021,165	3,253,274	0	5,274,439
226	13	Medicare Premium Increases	0.00	5,885,874	9,472,041	0	15,357,915	0.00	5,885,874	9,472,041	0	15,357,915
43	21	FMAP	0.00	61,759	0	0	61,759	0.00	61,759	0	0	61,759
		Total	0.00	55,403,185	90,726,492	0	146,129,677	0.00	55,403,185	90,726,492	0	146,129,677
Nursing Facilities												
233	1	Core	0.00	100,436,825	265,361,373	61,899,496	427,697,694	0.00	100,436,825	265,361,373	61,899,496	427,697,694
1	6	CtoC--Medicaid Programs	0.00	14,515,349	23,363,954	0	37,879,303	0.00	14,515,349	23,363,954	0	37,879,303
43	21	FMAP	0.00	2,130,726	0	0	2,130,726	0.00	2,130,726	0	0	2,130,726
242	32	Annualize TPL from TEFRA Liens	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
		Total	0.00	117,082,900	288,725,327	62,199,496	468,007,723	0.00	117,082,900	288,725,327	62,199,496	468,007,723
Home Health - PACE												
248	1	Core	0.00	4,234,177	7,071,764	159,305	11,465,246	0.00	4,234,177	7,071,764	159,305	11,465,246
12	10	Caseload Growth	0.00	133,620	215,074	0	348,694	0.00	133,620	215,074	0	348,694
256	999	In Home Rate Increase	0.00	0	0	0	0	0.00	45,659	73,493	0	119,152
		Total	0.00	4,367,797	7,286,838	159,305	11,813,940	0.00	4,413,456	7,360,331	159,305	11,933,092
Rehab & Specialty												
265	1	Core	0.00	37,497,878	65,080,630	1,026,626	103,605,134	0.00	37,497,878	65,080,630	1,026,626	103,605,134
1	6	CtoC--Medicaid Programs	0.00	7,002,552	11,271,331	0	18,273,883	0.00	7,002,552	11,271,331	0	18,273,883
12	10	Caseload Growth	0.00	1,631,017	2,625,290	0	4,256,307	0.00	1,631,017	2,625,290	0	4,256,307
275	14	Hospice Rate Increase	0.00	118,441	190,642	0	309,083	0.00	118,441	190,642	0	309,083
43	21	FMAP	0.00	0	1,438,839	0	1,438,839	0.00	0	1,438,839	0	1,438,839
		Total	0.00	46,249,888	80,606,732	1,026,626	127,883,246	0.00	46,249,888	80,606,732	1,026,626	127,883,246

Page No.	Dept. Rank	Decision Item Name	Department Amended Request					Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
NEMT												
282	1	Core	0.00	10,423,816	21,403,066	0	31,826,882	0.00	10,423,816	21,403,066	0	31,826,882
1	6	CtoC--Medicaid Programs	0.00	107,255	1,799,521	0	1,906,776	0.00	107,255	1,799,521	0	1,906,776
12	10	Caseload Growth	0.00	538,523	866,809	0	1,405,332	0.00	538,523	866,809	0	1,405,332
43	21	FMAP	0.00	0	373,567	0	373,567	0.00	0	373,567	0	373,567
		Total	0.00	11,069,594	24,442,963	0	35,512,557	0.00	11,069,594	24,442,963	0	35,512,557
Managed Care												
291	1	Core	0.00	144,430,436	519,496,547	170,205,907	834,132,890	0.00	144,430,436	519,496,547	170,205,907	834,132,890
12	10	Caseload Growth	0.00	1,813,133	2,918,426	0	4,731,559	0.00	1,813,133	2,918,426	0	4,731,559
36	15	FY07 Managed Care Phar Infla & Medical Util.	0.00	27,692,885	45,024,809	279,726	72,997,420	0.00	27,692,885	45,024,809	279,726	72,997,420
43	21	FMAP	0.00	35,619	0	0	35,619	0.00	35,619	0	0	35,619
		Total	0.00	173,972,073	567,439,782	170,485,633	911,897,488	0.00	173,972,073	567,439,782	170,485,633	911,897,488
Hospital Care												
313	1	Core	0.00	10,923,155	387,423,632	229,067,195	627,413,982	0.00	10,923,155	387,423,632	229,067,195	627,413,982
1	6	CtoC--Medicaid Programs	0.00	9,835,171	15,830,724	0	25,665,895	0.00	9,835,171	15,830,724	0	25,665,895
12	10	Caseload Growth	0.00	13,362,080	21,507,648	0	34,869,728	0.00	13,362,080	21,507,648	0	34,869,728
43	21	FMAP	0.00	1,079,201	0	0	1,079,201	0.00	1,079,201	0	0	1,079,201
		Total	0.00	35,199,607	424,762,004	229,067,195	689,028,806	0.00	35,199,607	424,762,004	229,067,195	689,028,806
Tier 1 Safety Net Hospitals												
324	1	Core	0.00	0	23,000,000	0	23,000,000	0.00	0	23,000,000	0	23,000,000
		Total	0.00	0	23,000,000	0	23,000,000	0.00	0	23,000,000	0	23,000,000
FQHC Distribution												
331	1	Core	0.00	8,000,000	0	0	8,000,000	0.00	8,000,000	0	0	8,000,000
337	999	FQHC Expansion	0.00	0	0	0	0	0.00	700,000	0	0	700,000
		Total	0.00	8,000,000	0	0	8,000,000	0.00	8,700,000	0	0	8,700,000
Federal Reimbursement Allowance												
343	1	Core	0.00	0	0	385,000,000	385,000,000	0.00	0	0	385,000,000	385,000,000
		Total	0.00	0	0	385,000,000	385,000,000	0.00	0	0	385,000,000	385,000,000
Health Care Access (1115 Waiver)												
352	1	Core	0.00	627,703	1,661,930	198,167	2,487,800	0.00	627,703	1,661,930	198,167	2,487,800
26	12	Pharmacy Inflation/New Drugs & Therapies	0.00	25,517	41,072	0	66,589	0.00	21,488	34,587	0	56,075
43	21	FMAP	0.00	50,253	0	0	50,253	0.00	50,253	0	0	50,253
		Total	0.00	703,473	1,703,002	198,167	2,604,642	0.00	699,444	1,696,517	198,167	2,594,128
CHIP (1115 Waiver - Children)												
361	1	Core	0.00	18,781,285	96,691,605	20,420,993	135,893,883	0.00	18,781,285	96,691,605	20,420,993	135,893,883
26	12	Pharmacy Inflation/New Drugs & Therapies	0.00	339,327	925,873	0	1,265,200	0.00	285,749	779,682	0	1,065,431
36	15	FY07 Managed Care Phar Infla & Medical Util.	0.00	1,837,669	5,482,988	171,811	7,492,468	0.00	1,837,669	5,482,988	171,811	7,492,468
43	21	FMAP	0.00	1,822,480	0	0	1,822,480	0.00	1,822,480	0	0	1,822,480
		Total	0.00	22,780,761	103,100,466	20,592,804	146,474,031	0.00	22,727,183	102,954,275	20,592,804	146,274,262
Uncompensated Care												
368	1	Core	0.00	0	25,000,000	0	25,000,000	0.00	0	25,000,000	0	25,000,000
		Total	0.00	0	25,000,000	0	25,000,000	0.00	0	25,000,000	0	25,000,000
Nursing Facility FRA												
376	1	Core	0.00	0	0	217,000,000	217,000,000	0.00	0	0	217,000,000	217,000,000
		Total	0.00	0	0	217,000,000	217,000,000	0.00	0	0	217,000,000	217,000,000

Page No.	Dept. Rank	Decision Item Name	Department Amended Request					Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
DESE Services												
384	1	Core	0.00	69,954	33,299,954	0	33,369,908	0.00	69,954	33,299,954	0	33,369,908
		Total	0.00	69,954	33,299,954	0	33,369,908	0.00	69,954	33,299,954	0	33,369,908
State Medical												
391	1	Core	0.00	24,773,535	0	888,660	25,662,195	0.00	24,773,535	0	888,660	25,662,195
26	12	Pharmacy Inflation/New Drugs & Therapies	0.00	846,637	0	0	846,637	0.00	712,958	0	0	712,958
		Total	0.00	25,620,172	0	888,660	26,508,832	0.00	25,486,493	0	888,660	26,375,153
Medicaid Supplemental Pool												
399	1	Core	0.00	0	24,107,486	11,590,599	35,698,085	0.00	0	24,107,486	11,590,599	35,698,085
		Total	0.00	0	24,107,486	11,590,599	35,698,085	0.00	0	24,107,486	11,590,599	35,698,085
Total Medical Services Core			267.71	843,902,137	2,532,770,201	1,200,357,474	4,577,029,812	267.71	843,902,137	2,532,770,201	1,200,357,474	4,577,029,812
Total Medical Services			267.71	1,068,626,082	2,855,185,737	1,201,109,011	5,124,920,830	271.71	1,064,109,983	2,871,244,962	1,226,169,659	5,161,524,604





**NEW DECISION ITEM  
RANK: 6**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: Cost to Continue---Medicaid Programs**

**Budget Unit Number: 90541C, 90544C, 90546C, 90549C, 90550C,  
90561C, 90552C**  
**DI#: 886001**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	62,415,403	102,090,926		164,506,329
<b>Total</b>	<b>62,415,403</b>	<b>102,090,926</b>		<b>164,506,329</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	62,415,403	102,090,926		164,506,329
<b>Total</b>	<b>62,415,403</b>	<b>102,090,926</b>		<b>164,506,329</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funds additional anticipated costs of existing Medicaid programs included in the FY 2006 supplemental request to ensure all program cores are sufficiently funded.*

The Federal Authority is Social Security Act 1902(a)(10), 1903(w), 1905, 1915(d), 1915(b), 1923(a)-(f), 2100 and 1115 Waiver; 42 CFR 406, 410, 412, 418, 431, 433, 440, 441 subpart B, and 434 subpart C. State Authority is 208.151, 208.152, 208.153, 208.166, 167.600 through 167.621, 191.831 RSMo.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

DMS performed detailed projections of all program cores. These projections include estimating expenditures for the next fiscal year in order to ensure adequate funding is available. The estimated cost based on these projections totals \$164,506,329.

	GR	Federal	Other	Total
Pharmacy	\$18,511,765	\$29,796,600	\$0	\$48,308,365
Physician Services	\$11,756,291	\$18,922,966	\$0	\$30,679,257
Dental	\$687,020	\$1,105,830	\$0	\$1,792,850
Nursing Facilities	\$14,515,349	\$23,363,954	\$0	\$37,879,303
Rehab and Specialty Services	\$7,002,552	\$11,271,331	\$0	\$18,273,883
NEMT	\$107,255	\$1,799,521	\$0	\$1,906,776
Hospital	\$9,835,171	\$15,830,724	\$0	\$25,665,895
<b>TOTAL</b>	<b>\$62,415,403</b>	<b>\$102,090,926</b>	<b>\$0</b>	<b>\$164,506,329</b>

The SFY07 blended federal match rate of 61.68% is used.

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>
<b>Total EE</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
Program Distributions	62,415,403		102,090,926				164,506,329		
<b>Total PSD</b>	<b>62,415,403</b>		<b>102,090,926</b>		<b>0</b>		<b>164,506,329</b>		<b>0</b>
<b>Grand Total</b>	<b>62,415,403</b>	<b>0.0</b>	<b>102,090,926</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>164,506,329</b>	<b>0.0</b>	<b>0</b>

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	62,415,403		102,090,926				164,506,329		
Total PSD	62,415,403		102,090,926		0		164,506,329		0
Grand Total	62,415,403	0.0	102,090,926	0.0	0	0.0	164,506,329	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

Since this decision item is a combined funding request for the continued funding of several Medicaid programs, measures are incorporated in the individual Medicaid program descriptions.

**6b. Provide an efficiency measure.**

Since this decision item is a combined funding request for the continued funding of several Medicaid programs, measures are incorporated in the individual Medicaid program descriptions.

**6c. Provide the number of clients/individuals served, if applicable.**

Since this decision item is a combined funding request for the continued funding of several Medicaid programs, measures are incorporated in the individual Medicaid program descriptions.

**6d. Provide a customer satisfaction measure, if available.**

Since this decision item is a combined funding request for the continued funding of several Medicaid programs, measures are incorporated in the individual Medicaid program descriptions.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

Since this decision item is a combined funding request for the continued funding of several Medicaid programs, strategies are not applicable.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
CtoC Supp Medicaid Programs - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	48,308,365	0.00	48,308,365	0.00
TOTAL - PD	0	0.00	0	0.00	48,308,365	0.00	48,308,365	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$48,308,365</b>	<b>0.00</b>	<b>\$48,308,365</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$18,511,765	0.00	\$18,511,765	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$29,796,600	0.00	\$29,796,600	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHYSICIANS</b>								
CtoC Supp Medicaid Programs - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	30,679,257	0.00	30,679,257	0.00
TOTAL - PD	0	0.00	0	0.00	30,679,257	0.00	30,679,257	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$30,679,257</b>	<b>0.00</b>	<b>\$30,679,257</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$11,756,291	0.00	\$11,756,291	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$18,922,966	0.00	\$18,922,966	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DENTAL</b>								
<b>CtoC Supp Medicaid Programs - 1886001</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,792,850	0.00	1,792,850	0.00
TOTAL - PD	0	0.00	0	0.00	1,792,850	0.00	1,792,850	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,792,850</b>	<b>0.00</b>	<b>\$1,792,850</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$687,020	0.00	\$687,020	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,105,830	0.00	\$1,105,830	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITIES</b>								
CtoC Supp Medicaid Programs - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	37,879,303	0.00	37,879,303	0.00
TOTAL - PD	0	0.00	0	0.00	37,879,303	0.00	37,879,303	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$37,879,303</b>	<b>0.00</b>	<b>\$37,879,303</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$14,515,349	0.00	\$14,515,349	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$23,363,954	0.00	\$23,363,954	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
CtoC Supp Medicaid Programs - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	18,273,883	0.00	18,273,883	0.00
TOTAL - PD	0	0.00	0	0.00	18,273,883	0.00	18,273,883	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$18,273,883</b>	<b>0.00</b>	<b>\$18,273,883</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$7,002,552	0.00	\$7,002,552	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$11,271,331	0.00	\$11,271,331	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NON-EMERGENCY TRANSPORT</b>								
CtoC Supp Medicaid Programs - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,906,776	0.00	1,906,776	0.00
TOTAL - PD	0	0.00	0	0.00	1,906,776	0.00	1,906,776	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,906,776</b>	<b>0.00</b>	<b>\$1,906,776</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$107,255	0.00	\$107,255	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,799,521	0.00	\$1,799,521	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOSPITAL CARE</b>								
<b>CtoC Supp Medicaid Programs - 1886001</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	25,665,895	0.00	25,665,895	0.00
TOTAL - PD	0	0.00	0	0.00	25,665,895	0.00	25,665,895	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$25,665,895</b>	<b>0.00</b>	<b>\$25,665,895</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$9,835,171	0.00	\$9,835,171	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$15,830,724	0.00	\$15,830,724	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



**NEW DECISION ITEM**  
**RANK: 10**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: Medicaid Caseload Growth**

**Budget Unit Number: 90541C, 90544C, 90546C, 90547C, 90564C,**  
**90550C, 90561C, 90551C, 90552C, 90556C**  
**DI#: 886003**

**1. AMOUNT OF REQUEST**

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE				
PSD	35,679,364	57,429,622		93,108,986
<b>Total</b>	<b>35,679,364</b>	<b>57,429,622</b>		<b>93,108,986</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE				
PSD	35,679,364	57,429,622		93,108,986
<b>Total</b>	<b>35,679,364</b>	<b>57,429,622</b>		<b>93,108,986</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Growth within current eligibility guidelines	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

**NDI SYNOPSIS:** To provide for anticipated caseload increases in existing Medicaid programs.

This funding is requested to provide for anticipated caseload changes of existing Medicaid programs. This does not include any expansion due to changes in any eligibility guidelines. The Federal Authority is Social Security Act 1902(a)(10), 1903(w), 1905, 1915(d), 1915(b), 1923(a)-(f), 2100 and 1115 waiver; 42 CFR 406, 410, 412, 418, 431, 440, 441 subpart B and 434 subpart C. The State Authority is 208.151, 208.152, 208.153, 208.166, 167.600 thru 167.621, 191.831 RSMo.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Each eligible category is forecasted individually. The analysis utilized is listed below:

**Old Age Assistance (OAA)**

- Number of eligibles is increased at .57% per year (estimated 427 new eligibles) based on historical trends.
- Costs per eligible per month are adjusted by program based on historical trends. Managed Care is excluded due to eligible category involved.
- Total costs for growth in this eligibility group are estimated at \$1.5 million.

**Permanently and Totally Disabled (PTD)**

- Number of eligibles is increased at 5.85% per year (estimated 8,930 new eligibles) based on historical trends.
- Costs per eligible per month are adjusted by program based on historical trends. Managed Care is excluded due to eligible category involved.
- Total costs for growth in this eligibility group are estimated at \$82.4 million.

**Medical Assistance for Families (MAF) / Children**

- Number of eligibles is increased at .95% per year (estimated 865 new FFS and 1,552 new MC+ eligibles) based on a one-year regression analysis.
- Costs per eligible per month are adjusted by program based on historical trends.
- Total costs for growth in this eligibility group are estimated at \$5.2 million.

**Medicaid For Children (MFC)**

- Number of eligibles is increased at .95% per year (estimated 657 new FFS and 931 new MC+ eligibles) based on one-year regression analysis.
- Costs per eligible per month are adjusted by program based on historical trends. Buy-In and Nursing Facility are excluded.
- Total costs for growth in this eligibility group are estimated at \$4.0 million.

Total program costs are calculated by adding the program costs for each eligibility category. The total of all new eligibles for the different categories is 10,879 new FFS and 2,483 new MC+ eligibles. Anticipated caseload growth results in the following request:

FY 07 Department Request:

Program	General Revenue	Federal	Total
Pharmacy - elderly & disabled	\$9,999,879	\$16,095,838	\$26,095,717
Physician - elderly & disabled	\$5,264,356	\$8,473,525	\$13,737,881
Premium Payments - elderly & disabled	\$2,021,165	\$3,253,274	\$5,274,439
Home Health - elderly & disabled	\$129,528	\$208,488	\$338,016
Rehab & Specialty - elderly & disabled	\$1,620,984	\$2,609,141	\$4,230,125
NEMT - elderly & disabled	\$484,190	\$779,354	\$1,263,544
Hospital - elderly & disabled	\$12,622,874	\$20,317,820	\$32,940,694
<i>subtotal elderly &amp; disabled</i>	<u>\$32,142,976</u>	<u>\$51,737,440</u>	<u>\$83,880,416</u>
Pharmacy - adult & kids	\$539,841	\$868,929	\$1,408,770
Physician - adult & kids	\$349,443	\$562,465	\$911,908
Dental - adult & kids	\$26,307	\$42,344	\$68,651
Premium Payments - adult & kids	\$0	\$0	\$0
Home Health - adult & kids	\$4,092	\$6,586	\$10,678
Rehab & Specialty - adult & kids	\$10,033	\$16,149	\$26,182
NEMT - adult & kids	\$54,333	\$87,455	\$141,788
Managed Care	\$1,813,133	\$2,918,426	\$4,731,559
Hospital - adult & kids	\$739,206	\$1,189,828	\$1,929,034
1115 Waiver - Children	\$0	\$0	\$0
<i>subtotal adults &amp; kids</i>	<u>\$3,536,388</u>	<u>\$5,692,182</u>	<u>\$9,228,570</u>
<b>TOTAL</b>	<b>\$35,679,364</b>	<b>\$57,429,622</b>	<b>\$93,108,986</b>

The SFY07 blended federal matching rate of 61.68% is used. For the 1115 Waiver-Child (CHIP) program, the blended enhanced federal matching rate of 73.18% is used.

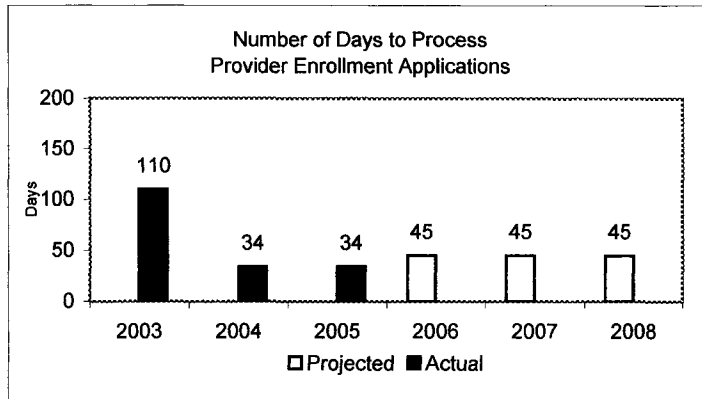
5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.										
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req FTE	GR	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0		0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0			0		0		0		0
Program Distributions	35,679,364			57,429,622		0		93,108,986		
Total PSD	35,679,364			57,429,622		0		93,108,986		0
Grand Total	35,679,364		0.0	57,429,622	0.0	0	0.0	93,108,986	0.0	0

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.										
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec FTE	GR	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0		0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0			0		0		0		0
Program Distributions	35,679,364			57,429,622				93,108,986		
Total PSD	35,679,364			57,429,622		0		93,108,986		0
Grand Total	35,679,364		0.0	57,429,622	0.0	0	0.0	93,108,986	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

**6b. Provide an efficiency measure.**



**6c. Provide the number of clients/individuals served, if applicable.**

SFY	Medicaid Enrollees	
	Actual	Projected
2003	928,023	N/A
2004	974,559	N/A
2005	992,622	N/A
2006		913,506
2007		926,868
2008		940,400

**6d. Provide a customer satisfaction measure, if available.**

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Participate in the Statewide Coalition, consisting of leaders from Missouri Hospital Association and the Family and Community Trust, to provide outreach and enrollment.
- Purchase cost effective health insurance policies for Medicaid recipients through the Health Insurance Premium Payment Program.
- Continue to work with community groups, local medical providers, health care associations, schools, etc. regarding access to Medicaid coverage.
- Continue to work with MC+ managed care health plans to provide outreach and education to communities regarding access to MC+ coverage.
- Eliminate manual processing of provider forms by implementing automated processes.
- Maintain unit staffing.

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## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	27,504,487	0.00	27,504,487	0.00
TOTAL - PD	0	0.00	0	0.00	27,504,487	0.00	27,504,487	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$27,504,487</b>	<b>0.00</b>	<b>\$27,504,487</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$10,539,720	0.00	\$10,539,720	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$16,964,767	0.00	\$16,964,767	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHYSICIANS</b>								
Medicaid Caseload Growth - 1886003								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	14,649,789	0.00	14,649,789	0.00
TOTAL - PD	0	0.00	0	0.00	14,649,789	0.00	14,649,789	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$14,649,789	0.00	\$14,649,789	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$5,613,799	0.00	\$5,613,799	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$9,035,990	0.00	\$9,035,990	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DENTAL</b>								
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	68,651	0.00	68,651	0.00
TOTAL - PD	0	0.00	0	0.00	68,651	0.00	68,651	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$68,651</b>	<b>0.00</b>	<b>\$68,651</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$26,307	0.00	\$26,307	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$42,344	0.00	\$42,344	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	5,274,439	0.00	5,274,439	0.00
TOTAL - PD	0	0.00	0	0.00	5,274,439	0.00	5,274,439	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$5,274,439</b>	<b>0.00</b>	<b>\$5,274,439</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$2,021,165	0.00	\$2,021,165	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$3,253,274	0.00	\$3,253,274	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOME HEALTH-PACE</b>								
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	348,694	0.00	348,694	0.00
TOTAL - PD	0	0.00	0	0.00	348,694	0.00	348,694	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$348,694</b>	<b>0.00</b>	<b>\$348,694</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$133,620</b>	<b>0.00</b>	<b>\$133,620</b>	<b>0.00</b>
<b>FEDERAL FUNDS</b>								
	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$215,074</b>	<b>0.00</b>	<b>\$215,074</b>	<b>0.00</b>
<b>OTHER FUNDS</b>								
	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	4,256,307	0.00	4,256,307	0.00
TOTAL - PD	0	0.00	0	0.00	4,256,307	0.00	4,256,307	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$4,256,307</b>	<b>0.00</b>	<b>\$4,256,307</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	\$0	0.00	\$0	0.00	\$1,631,017	0.00	\$1,631,017	0.00
<b>FEDERAL FUNDS</b>								
	\$0	0.00	\$0	0.00	\$2,625,290	0.00	\$2,625,290	0.00
<b>OTHER FUNDS</b>								
	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NON-EMERGENCY TRANSPORT</b>								
Medicaid Caseload Growth - 1886003								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,405,332	0.00	1,405,332	0.00
TOTAL - PD	0	0.00	0	0.00	1,405,332	0.00	1,405,332	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,405,332</b>	<b>0.00</b>	<b>\$1,405,332</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$538,523	0.00	\$538,523	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$866,809	0.00	\$866,809	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# **FY07 Department of Social Services Report #10**

## **DECISION ITEM DETAIL**

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	4,731,559	0.00	4,731,559	0.00
TOTAL - PD	0	0.00	0	0.00	4,731,559	0.00	4,731,559	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$4,731,559</b>	<b>0.00</b>	<b>\$4,731,559</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,813,133	0.00	\$1,813,133	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$2,918,426	0.00	\$2,918,426	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOSPITAL CARE</b>								
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	34,869,728	0.00	34,869,728	0.00
TOTAL - PD	0	0.00	0	0.00	34,869,728	0.00	34,869,728	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$34,869,728</b>	<b>0.00</b>	<b>\$34,869,728</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$13,362,080	0.00	\$13,362,080	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$21,507,648	0.00	\$21,507,648	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



**NEW DECISION ITEM  
RANK: 12**

Department: Social Services  
Division: Medical Services  
DI Name: Pharmacy - New Drugs, Therapies and Inflation

Budget Unit Number: 90541C, 90554C, 90556C, 90585C

DI#: 886010

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	36,829,675	58,298,108		95,127,783
Total	36,829,675	58,298,108		95,127,783
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	31,014,463	49,093,144		80,107,607
Total	31,014,463	49,093,144		80,107,607
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Inflation	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funds to address the anticipated increases in the pharmacy program due to new drugs, therapies and inflation. The request assumes a 14% inflationary factor.*

This decision item requests funding for the ongoing inflation of pharmaceuticals. Increase in pharmacy costs continues to grow at a higher rate than other medical costs. This increase can be attributed to the rising cost of drug ingredients, increase in units per prescription, cost of new, expensive medications, and utilization increases. The increase in ingredient costs is due to the inflationary increases which are incorporated into the overall pricing of prescription medications by the pharmaceutical industry as well as the addition of new, expensive agents to the marketplace. The inflation rate requested in this decision item is consistent with the projected inflation rate being projected by all pharmacy payors.

The Federal Regulation is 42 CFR 440.120 and the State Authority is 208.152 and 208.166 RSMo.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The estimated cost of this decision item is calculated by multiplying the projected pharmacy claims for FY07 by an inflation factor. The projected claims for FY07 are estimated by using the FY05 pharmacy claim count as a base and adding projected increases for the elderly and disabled populations. The inflation factor is estimated at 14%. The dispensing fee is subtracted from the FY05 cost to arrive at the average ingredient cost for FY05. The inflation is multiplied twice to arrive at the projected FY07 ingredient cost. The FY07 ingredient cost, less the FY06 ingredient cost, is the inflation factor.

The amount of pharmacy inflation distributed to the various appropriations is determined by the amount of pharmacy expenditures in the various appropriations in the previous fiscal year adjusted by FY 06 eligibility cuts/changes.

The methodology for this decision item is computed as follows:

FY 05 Average	\$61.26
Less: Disp Fee	\$4.09
FY 05 Ingredient Cost	\$57.17

FY 06 Inflation Factor:

FY 05 Ingredient Cost	\$57.17
x Inflation Rate	1.14
FY 06 Ingredient Cost	\$65.17

FY 07 Inflation Factor:

FY 06 Ingredient Cost	\$65.17
x Inflation Rate	0.14
FY 07 Inflation Factor	\$9.12

FY 07 Projected Inflation:

FY 07 Projected Claims	10,430,678
FY 07 Inflation Factor	\$9.12
FY 07 Inflation Request	\$95,127,783

Department Request:

	Total	GR	Federal
Pharmacy	\$92,949,357	\$35,618,194	\$57,331,163
1115 Wv Adult	\$66,589	\$25,517	\$41,072
1115 Wvr Child	\$1,265,200	\$339,327	\$925,873
State Medical	\$846,637	\$846,637	\$0
	\$95,127,783	\$36,829,675	\$58,298,108

Governor's Recommendations:

	TOTAL	GR	Federal
Pharmacy	\$78,273,143	\$29,994,268	\$48,278,875
1115 Wv Adult	\$56,075	\$21,488	\$34,587
1115 Wvr Child	\$1,065,431	\$285,749	\$779,682
State Medical	\$712,958	\$712,958	\$0
	\$80,107,607	\$31,014,463	\$49,093,144

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

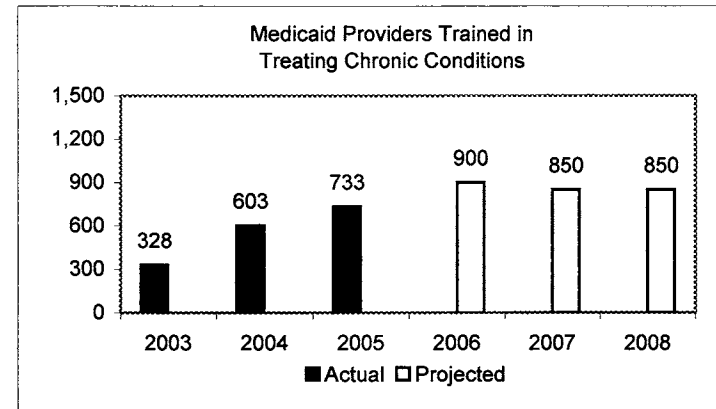
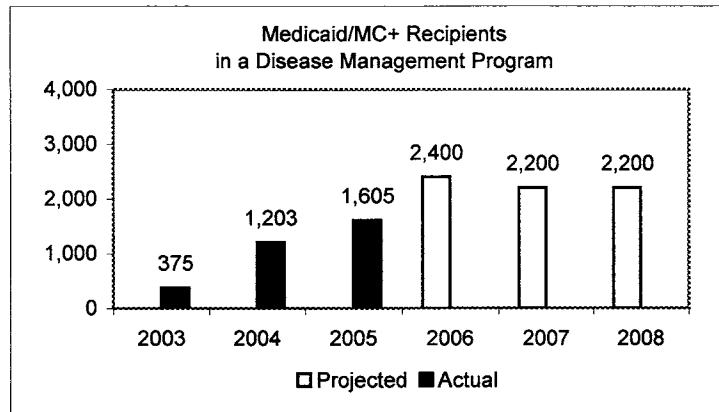
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	36,829,675		58,298,108				95,127,783		
Total PSD	36,829,675		58,298,108		0		95,127,783		0
Grand Total	36,829,675	0.0	58,298,108	0.0	0	0.0	95,127,783	0.0	0

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

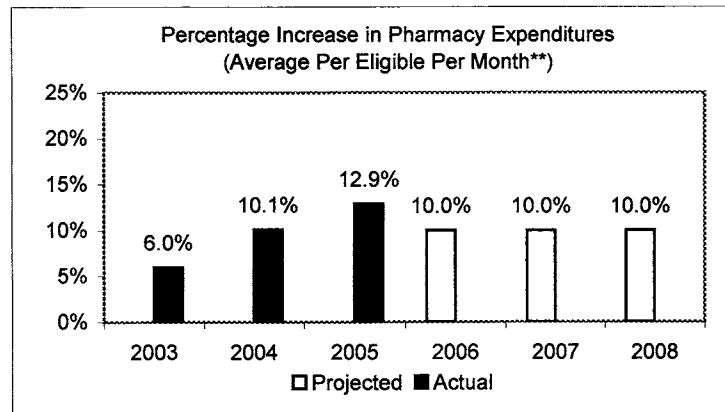
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	31,014,463		49,093,144				80,107,607		
Total PSD	31,014,463		49,093,144		0		80,107,607		0
Grand Total	31,014,463	0.0	49,093,144	0.0	0	0.0	80,107,607	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**



\*\*Based on 2003, 3% below the national average would be 11.5%.  
10% is used as target because it is less than the national average less 3%.

**6c. Provide the number of clients/individuals served, if applicable.**

Pharmacy FFS Eligibles		
SFY	Actual	Projected
2003	506,021	
2004	530,188	
2005	555,446	
2006		570,359
2007		585,545
2008		601,096

Average Monthly Pharmacy Users		
SFY	Actual	Projected
2003	253,178	
2004	272,828	
2005	291,081	293,290
2006		240,300
2007		188,900*
2008		214,400

\*Reduction in FY07 due to the MMA

Number of Pharmacy Claims		
SFY	Actual	Projected
2003	15.4 mil	16.2 mil
2004	17.1 mil	16.5 mil
2005	19.1 mil	18.8 mil
2006		16.2 mil*
2007		10.4 mil
2008		11.4 mil

\*Reduction in FY06 due to the MMA

**6d. Provide a customer satisfaction measure, if available.**

## **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Continue statewide identification of recipients with targeted disease states.
- Continue outreach efforts through recipient mailings and direct promotion by their current practitioners.
- Dedicated help desk for recipient support.
- Identify providers currently serving the targeted population to invite them to participate in disease management.
- Continue review, update and implementation of new maximum allowable costs for drug products.
- Continue implementation of clinical edits, prior authorization and step therapy.
- Initiate a preferred drug list with accompanying supplemental rebates.
- Continue diabetic supplies sole source contract for cost containment.
- Continue existing cost containment activities.
- Implement third party liability cost avoidance on pharmacy claims.
- Make personal visits with providers to explain the program and assist with enrollment paperwork.
- Focus on clinical benefits of the participation and show providers the financial incentives.
- Reinforce clinical areas for improvement and provide clinical education where appropriate.
- Dedicated help desk for provider support.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>Pharmacy Inflation/New Drugs - 1886010</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	92,949,357	0.00	78,273,143	0.00
TOTAL - PD	0	0.00	0	0.00	92,949,357	0.00	78,273,143	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$92,949,357</b>	<b>0.00</b>	<b>\$78,273,143</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$35,618,194	0.00	\$29,994,268	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$57,331,163	0.00	\$48,278,875	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HEALTH CARE ACCESS</b>								
<b>Pharmacy Inflation/New Drugs - 1886010</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	66,589	0.00	56,075	0.00
TOTAL - PD	0	0.00	0	0.00	66,589	0.00	56,075	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$66,589</b>	<b>0.00</b>	<b>\$56,075</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	\$0	0.00	\$0	0.00	\$25,517	0.00	\$21,488	0.00
<b>FEDERAL FUNDS</b>								
	\$0	0.00	\$0	0.00	\$41,072	0.00	\$34,587	0.00
<b>OTHER FUNDS</b>								
	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CHILDREN'S HEALTH INS PROGRAM</b>								
<b>Pharmacy Inflation/New Drugs - 1886010</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,265,200	0.00	1,065,431	0.00
TOTAL - PD	0	0.00	0	0.00	1,265,200	0.00	1,065,431	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,265,200</b>	<b>0.00</b>	<b>\$1,065,431</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$339,327	0.00	\$285,749	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$925,873	0.00	\$779,682	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE MEDICAL								
Pharmacy Inflation/New Drugs - 1886010								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	846,637	0.00	712,958	0.00
TOTAL - PD	0	0.00	0	0.00	846,637	0.00	712,958	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$846,637	0.00	\$712,958	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$846,637	0.00	\$712,958	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



**NEW DECISION ITEM  
RANK: 15**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: FY07 Managed Care Pharmacy Inflation and  
 Medical Utilization Increases**

**Budget Unit Number: 90551C, 90556C**

**DI#: 886008**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	29,530,554	50,507,797	451,537	80,489,888
<b>Total</b>	<b>29,530,554</b>	<b>50,507,797</b>	<b>451,537</b>	<b>80,489,888</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Health Initiatives Fund (0275)

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	29,530,554	50,507,797	451,537	80,489,888
<b>Total</b>	<b>29,530,554</b>	<b>50,507,797</b>	<b>451,537</b>	<b>80,489,888</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Health Initiatives Fund (0275)

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input checked="" type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Inflation	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funding to apply on average a 14% pharmacy inflation increase and an 8% non-pharmacy trend factor for both utilization and cost component increases for drugs and medical services as required by Centers for Medicare and Medicaid Services (CMS) to develop actuarially sound rates. Funding is for the Eastern, Central, and Western regions for July 2006 through June 2007.*

DMS needs to maintain capitation rates at a sufficient level to ensure continued health plan and provider participation. The Federal Authority is Social Security Act Section 1915(b) and 1115 Waiver. The Federal Regulation is 42 CFR 438-Managed Care and the State Authority is 208.166 RSMo. Final rules and regulations published June 14, 2002, effective August 13, 2003, require that capitation payments made on behalf of managed care enrollees be actuarially sound. Further the State must provide the actuarial certification of the capitation rates to the CMS. The CMS Regional Office must review and approve all contracts for managed care as a condition for federal financial participation.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

An average pharmacy inflation increase (14%) and the non-pharmacy utilization and cost component increase (8%) were developed by the Division of Medical Services' actuary. Both utilization and unit cost component increases were included as required by the CMS in developing actuarially sound rates. The pharmacy inflation increase is calculated using a weighted, blended average of the pharmacy component of the capitation rate for all health plans by region. The non-pharmacy utilization and cost component increase is calculated using a weighted, blended average of the capitation rate, less the pharmacy component, for all health plans by region. The numbers used in the column "eligibles" are based on full time equivalents. Full time equivalents approximate 96% of the Managed Care eligibles' count. The cost to continue managed care trend factor need is calculated by region and is based on the number of months in the contract period that fall in FY 2007. The total cost is estimated at \$80,489,888 as follows:

Contract Start Date	Program	Region	1st Period Rate	2nd Period Rate	Difference	Eligibles	Contract Months in FY07	Total
June 1	Managed Care	Eastern-Medical	\$132.26	\$143.37	\$11.11	197,135	12	\$26,282,038
June 1	Managed Care	Eastern-Pharmacy	\$33.21	\$38.03	\$4.82	197,135	12	\$11,402,288
June 1	Managed Care	Central-Medical	\$156.05	\$169.47	\$13.42	50,682	12	\$8,161,829
June 1	Managed Care	Central-Pharmacy	\$43.83	\$48.43	\$4.60	50,682	12	\$2,797,646
June 1	Managed Care	Western-Medical	\$149.72	\$162.90	\$13.18	108,994	12	\$17,238,491
June 1	Managed Care	Western-Pharmacy	\$37.54	\$42.98	\$5.44	108,994	12	\$7,115,128
<i>subtotal Managed Care</i>								<u>\$72,997,420</u>
June 1	1115 Waiver-Child	Eastern-Medical	\$77.81	\$84.27	\$6.46	25,248	12	\$1,957,225
June 1	1115 Waiver-Child	Eastern-Pharmacy	\$29.38	\$33.49	\$4.11	25,248	12	\$1,245,231
June 1	1115 Waiver-Child	Central-Medical	\$101.23	\$110.04	\$8.81	8,827	12	\$933,190
June 1	1115 Waiver-Child	Central-Pharmacy	\$34.48	\$38.10	\$3.62	8,827	12	\$383,445
June 1	1115 Waiver-Child	Western-Medical	\$107.10	\$116.31	\$9.21	17,826	12	\$1,970,130
June 1	1115 Waiver-Child	Western-Pharmacy	\$33.51	\$38.20	\$4.69	17,826	12	\$1,003,247
<i>subtotal 1115 Waiver Children</i>								<u>\$7,492,468</u>
<b>Total Need</b>								<u><u>\$80,489,888</u></u>

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS

Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	29,530,554		50,507,797		451,537		80,489,888		
Total PSD	29,530,554		50,507,797		451,537		80,489,888		0
Grand Total	29,530,554	0.0	50,507,797	0.0	451,537	0.0	80,489,888	0.0	0

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS

Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	29,530,554		50,507,797		451,537		80,489,888		
Total PSD	29,530,554		50,507,797		451,537		80,489,888		0
Grand Total	29,530,554	0.0	50,507,797	0.0	451,537	0.0	80,489,888	0.0	0

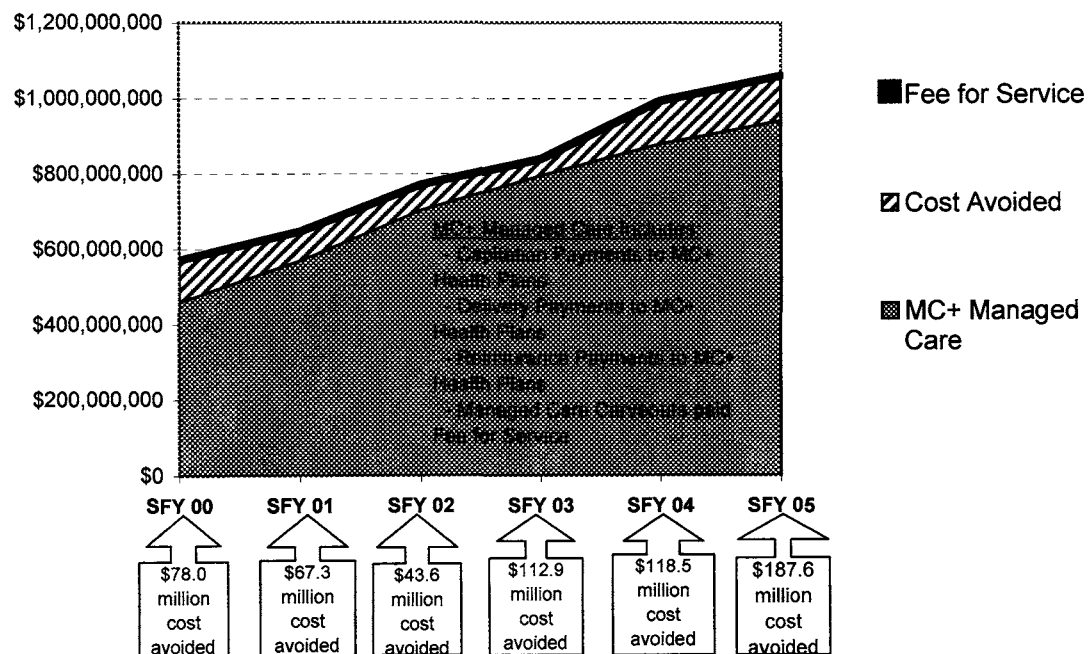
**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional**

**6a. Provide an effectiveness measure.**

See separate document "Since MC+ Began..." included in the Managed Care Program Description.

**6b. Provide an efficiency measure.**

**Cost Avoidance Attributable to MC+ Managed Care**



**6c. Provide the number of clients/individuals served, if applicable.**

Managed Care Enrollees		
SFY	Actual	Projected
2003	425,161	
2004	432,339	
2005	426,873	
2006		439,679
2007		452,869
2008		466,455

**6d. Provide a customer satisfaction measure, if available.**

See separate document "2004 Consumer's Guide MC+ Managed Care in Missouri" included in the Managed Care Program Description.

#### **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Participate in the Statewide Coalition, consisting of leaders from Missouri Hospital Association and the Family and Community Trust, to provide outreach and enrollment.
- Purchase cost effective health insurance policies for Medicaid recipients through the Health Insurance Premium Payment Program.
- Continue to work with community groups, local medical providers, health care associations, schools, etc. regarding access to Medicaid coverage.
- Continue to work with MC+ managed care health plans to provide outreach and education to communities regarding access to MC+ coverage.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
FY07 MC Phar Infl/Medical Util - 1886008								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	72,997,420	0.00	72,997,420	0.00
TOTAL - PD	0	0.00	0	0.00	72,997,420	0.00	72,997,420	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$72,997,420</b>	<b>0.00</b>	<b>\$72,997,420</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$27,692,885	0.00	\$27,692,885	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$45,024,809	0.00	\$45,024,809	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$279,726	0.00	\$279,726	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CHILDREN'S HEALTH INS PROGRAM</b>								
<b>FY07 MC Phar Infl/Medical Util - 1886008</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	7,492,468	0.00	7,492,468	0.00
TOTAL - PD	0	0.00	0	0.00	7,492,468	0.00	7,492,468	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$7,492,468</b>	<b>0.00</b>	<b>\$7,492,468</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,837,669	0.00	\$1,837,669	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$5,482,988	0.00	\$5,482,988	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$171,811	0.00	\$171,811	0.00



**NEW DECISION ITEM**  
**RANK: 21**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: FMAP**

**Budget Unit Number: 90541C, 90544C, 90546C, 90547C, 90549C,**  
**90550C, 90561C, 90551C, 90552C, 90554C, 90556C**  
**DI#: 886009**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	7,683,857	2,754,997		10,438,854
<b>Total</b>	<b>7,683,857</b>	<b>2,754,997</b>		<b>10,438,854</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	7,683,857	2,754,997		10,438,854
<b>Total</b>	<b>7,683,857</b>	<b>2,754,997</b>		<b>10,438,854</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

☒ New Legislation  
☒ Federal Mandate  
☐ GR Pick-Up  
☐ Pay Plan

☐ New Program  
☐ Program Expansion  
☐ Space Request  
☐ Other:

☐ Supplemental  
☐ Cost to Continue  
☐ Equipment Replacement

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funding to address the change in the Federal Medical Assistance Percentage (FMAP). Changes are regular rate from FY06 61.74% blended to 61.68% blended and enhanced rate from 73.22% blended to 73.18% blended.*

This funding is requested to compensate for the change in the Federal Medical Assistance Percentage (FMAP). Each year the Centers for Medicare and Medicaid Services (CMS) revises the percentage of Medicaid costs that the federal government will reimburse to each state. Effective October 1, 2006, the regular FMAP rate will decrease from 61.93% to 61.60%. The enhanced FMAP rate for the 1115 Waiver CHIP children will decrease from 73.35% to 73.12%. As a result, the Division of Medical Services seeks to continue program core funding at current levels by compensating for this change in federal funding levels. The increased costs of this decision item have an equal offset in the affected program cores as core reductions. The Federal Authority is Social Security Act 1905(b).

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Since the federal fiscal year (FFY) doesn't begin until the second quarter of the state fiscal year (SFY), a SFY blended rate is applied to the SFY core funding. This blended rate is derived by adding the old FFY rate (61.93%) for three months (July thru September) and the new FFY rate (61.60%) for nine months (October thru June) and dividing by 12 months, resulting in a SFY blended rate of 61.68%. This same procedure is applied to the enhanced federal match for the 1115 Waiver CHIP program. The enhanced old FFY rate of 73.35% for three months (July thru September) and the new FFY rate of 73.12% for nine months (October thru June) results in an enhanced SFY blended rate of 73.18%. In order to continue current core funding, these blended rates are applied to the SFY 06 core funding resulting in a revised mix of funding sources while maintaining the same total. Based on the review of all program cores and the change in FMAP, the below increases are needed to maintain total funding at the correct level and have equal offsetting reductions in the applicable program cores.

	GR	Federal	Other	Total
Pharmacy	\$2,456,499	\$0	\$0	\$2,456,499
Physician	\$0	\$942,591	\$0	\$942,591
Dental	\$47,320	\$0	\$0	\$47,320
Premium Payments	\$61,759	\$0	\$0	\$61,759
Nursing Facility	\$2,130,726	\$0	\$0	\$2,130,726
Rehabilitation and Specialty	\$0	\$1,438,839	\$0	\$1,438,839
Non-Emergency Transportation	\$0	\$373,567	\$0	\$373,567
Managed Care	\$35,619	\$0	\$0	\$35,619
Hospital	\$1,079,201	\$0	\$0	\$1,079,201
Health Care Access (1115 Waiver Adults)	\$50,253	\$0	\$0	\$50,253
CHIP (1115 Waiver Children)	\$1,822,480	\$0	\$0	\$1,822,480
Total FMAP Adjustment	\$7,683,857	\$2,754,997	\$0	\$10,438,854

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	7,683,857		2,754,997		0		10,438,854		
Total PSD	7,683,857		2,754,997		0		10,438,854		0
Grand Total	7,683,857	0.0	2,754,997	0.0	0	0.0	10,438,854	0.0	0

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	7,683,857		2,754,997				10,438,854		
Total PSD	7,683,857		2,754,997		0		10,438,854		0
Grand Total	7,683,857	0.0	2,754,997	0.0	0	0.0	10,438,854	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

	Regular FFP Rates		Enhanced FFP Rates (CHIP Program)	
	FFY	SFY	FFY	SFY
2003	61.23%	61.19%	72.86%	72.83%
2004	61.47%	61.41%	73.03%	72.99%
2005	61.15%	61.23%	72.81%	72.87%
2006	61.93%	61.74%	73.35%	73.22%
2007	61.60%	61.68%	73.12%	73.18%
2008	60.50%	60.78%	72.50%	72.66%

Since the FMAP adjustments represent a funding source rather than a particular program, measures for the FMAP adjustments are incorporated into the specific Medicaid program sections.

**6b. Provide an efficiency measure.**

SFY	Medicaid Enrollees	
	Actual	Projected
2003	928,023	N/A
2004	974,559	N/A
2005	992,622	N/A
2006		913,506
2007		926,868
2008		940,400

**6c. Provide the number of clients/individuals served, if applicable.**

**6d. Provide a customer satisfaction measure, if available.**

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

Maintain flow of federal financial participation in the healthcare arena. (Beyond DSS)

The Division of Medical Services (DMS) performs detailed projections for all program cores. These projections include adjusting the federal participation level to the percentage in effect for SFY06. After adjusting the funding sources, the appropriate core funds are reduced through core reductions (see Program Core Requests). Increases in funding are requested through this decision item. These two offsetting actions result in continued core funding at current levels.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>FMAP - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	2,456,499	0.00	2,456,499	0.00
TOTAL - PD	0	0.00	0	0.00	2,456,499	0.00	2,456,499	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$2,456,499</b>	<b>0.00</b>	<b>\$2,456,499</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$2,456,499	0.00	\$2,456,499	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHYSICIANS</b>								
<b>FMAP - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	942,591	0.00	942,591	0.00
TOTAL - PD	0	0.00	0	0.00	942,591	0.00	942,591	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$942,591</b>	<b>0.00</b>	<b>\$942,591</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$942,591	0.00	\$942,591	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DENTAL								
FMAP - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	47,320	0.00	47,320	0.00
TOTAL - PD	0	0.00	0	0.00	47,320	0.00	47,320	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$47,320	0.00	\$47,320	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$47,320	0.00	\$47,320	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
<b>FMAP - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	61,759	0.00	61,759	0.00
TOTAL - PD	0	0.00	0	0.00	61,759	0.00	61,759	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$61,759</b>	<b>0.00</b>	<b>\$61,759</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$61,759	0.00	\$61,759	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITIES</b>								
<b>FMAP - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	2,130,726	0.00	2,130,726	0.00
TOTAL - PD	0	0.00	0	0.00	2,130,726	0.00	2,130,726	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$2,130,726</b>	<b>0.00</b>	<b>\$2,130,726</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$2,130,726	0.00	\$2,130,726	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
REHAB AND SPECIALTY SERVICES								
FMAP - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,438,839	0.00	1,438,839	0.00
TOTAL - PD	0	0.00	0	0.00	1,438,839	0.00	1,438,839	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$1,438,839	0.00	\$1,438,839	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,438,839	0.00	\$1,438,839	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NON-EMERGENCY TRANSPORT								
FMAP - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	373,567	0.00	373,567	0.00
TOTAL - PD	0	0.00	0	0.00	373,567	0.00	373,567	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$373,567	0.00	\$373,567	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$373,567	0.00	\$373,567	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
<b>FMAP - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	35,619	0.00	35,619	0.00
TOTAL - PD	0	0.00	0	0.00	35,619	0.00	35,619	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$35,619</b>	<b>0.00</b>	<b>\$35,619</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$35,619	0.00	\$35,619	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOSPITAL CARE</b>								
<b>FMAP - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,079,201	0.00	1,079,201	0.00
TOTAL - PD	0	0.00	0	0.00	1,079,201	0.00	1,079,201	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,079,201</b>	<b>0.00</b>	<b>\$1,079,201</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,079,201	0.00	\$1,079,201	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HEALTH CARE ACCESS</b>								
<b>FMAP - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	50,253	0.00	50,253	0.00
TOTAL - PD	0	0.00	0	0.00	50,253	0.00	50,253	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$50,253</b>	<b>0.00</b>	<b>\$50,253</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$50,253	0.00	\$50,253	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CHILDREN'S HEALTH INS PROGRAM								
FMAP - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,822,480	0.00	1,822,480	0.00
TOTAL - PD	0	0.00	0	0.00	1,822,480	0.00	1,822,480	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$1,822,480	0.00	\$1,822,480	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,822,480	0.00	\$1,822,480	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

## Budget Unit

Decision Item Budget Object Summary Fund	FY 2005 ACTUAL DOLLAR	FY 2005 ACTUAL FTE	FY 2006 BUDGET DOLLAR	FY 2006 BUDGET FTE	FY 2007 DEPT REQ DOLLAR	FY 2007 DEPT REQ FTE	FY 2007 GOV REC DOLLAR	FY 2007 GOV REC FTE
<b>MEDICAL SERVICES ADMIN</b>								
<b>CORE</b>								
PERSONAL SERVICES								
GENERAL REVENUE	3,131,518	88.78	3,060,064	85.86	3,056,092	85.57	3,056,092	85.57
DEPT OF SOC SERV FEDERAL & OTH	4,682,684	130.94	4,855,911	136.55	4,855,911	136.55	4,855,911	136.55
PHARMACY REBATES	17,001	0.57	17,100	0.50	17,100	0.50	17,100	0.50
THIRD PARTY LIABILITY COLLECT	305,692	8.69	309,873	11.50	320,587	11.79	320,587	11.79
PHARMACY REIMBURSEMENT ALLOWAN	21,412	0.59	22,750	0.50	22,750	0.50	22,750	0.50
NURSING FAC QUALITY OF CARE	72,704	2.01	72,973	2.45	72,973	2.45	72,973	2.45
HEALTH INITIATIVES	263,410	8.03	272,863	9.35	272,863	9.35	272,863	9.35
MISSOURI RX PLAN FUND	0	0.00	0	0.00	662,112	17.00	662,112	17.00
TOTAL - PS	8,494,421	239.61	8,611,534	246.71	9,280,388	263.71	9,280,388	263.71
EXPENSE & EQUIPMENT								
GENERAL REVENUE	750,215	0.00	666,402	0.00	636,173	0.00	636,173	0.00
DEPT OF SOC SERV FEDERAL & OTH	3,376,122	0.00	3,403,286	0.00	3,378,215	0.00	3,378,215	0.00
PHARMACY REBATES	5,110	0.00	5,110	0.00	5,110	0.00	5,110	0.00
THIRD PARTY LIABILITY COLLECT	492,365	0.00	490,783	0.00	495,188	0.00	495,188	0.00
PHARMACY REIMBURSEMENT ALLOWAN	4,565	0.00	375	0.00	375	0.00	375	0.00
NURSING FAC QUALITY OF CARE	10,281	0.00	10,281	0.00	10,281	0.00	10,281	0.00
HEALTH INITIATIVES	30,443	0.00	31,385	0.00	31,385	0.00	31,385	0.00
MISSOURI RX PLAN FUND	0	0.00	0	0.00	57,800	0.00	57,800	0.00
TOTAL - EE	4,669,101	0.00	4,607,622	0.00	4,614,527	0.00	4,614,527	0.00
<b>TOTAL</b>	<b>13,163,522</b>	<b>239.61</b>	<b>13,219,156</b>	<b>246.71</b>	<b>13,894,915</b>	<b>263.71</b>	<b>13,894,915</b>	<b>263.71</b>
<b>GENERAL STRUCTURE ADJUSTMENT - 0000012</b>								
PERSONAL SERVICES								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	143,442	0.00
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	172,594	0.00
PHARMACY REBATES	0	0.00	0	0.00	0	0.00	684	0.00
THIRD PARTY LIABILITY COLLECT	0	0.00	0	0.00	0	0.00	12,823	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	0	0.00	0	0.00	910	0.00
NURSING FAC QUALITY OF CARE	0	0.00	0	0.00	0	0.00	2,917	0.00
HEALTH INITIATIVES	0	0.00	0	0.00	0	0.00	11,357	0.00

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# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>MEDICAL SERVICES ADMIN</b>									
<b>GENERAL STRUCTURE ADJUSTMENT - 0000012</b>									
PERSONAL SERVICES									
MISSOURI RX PLAN FUND	0	0.00	0	0.00	0	0.00	26,484	0.00	
TOTAL - PS	0	0.00	0	0.00	0	0.00	371,211	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>371,211</b>	<b>0.00</b>	
<b>TWO STEP REPOSITIONING - 0000014</b>									
PERSONAL SERVICES									
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	9,279	0.00	
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	14,766	0.00	
HEALTH INITIATIVES	0	0.00	0	0.00	0	0.00	2,137	0.00	
TOTAL - PS	0	0.00	0	0.00	0	0.00	26,182	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>26,182</b>	<b>0.00</b>	
<b>Fed Authority for MO Rx Staff - 1886024</b>									
PERSONAL SERVICES									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	164,349	0.00	164,349	0.00	
TOTAL - PS	0	0.00	0	0.00	164,349	0.00	164,349	0.00	
EXPENSE & EQUIPMENT									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	19,182	0.00	19,182	0.00	
TOTAL - EE	0	0.00	0	0.00	19,182	0.00	19,182	0.00	
PROGRAM-SPECIFIC									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	1,030	0.00	1,030	0.00	
TOTAL - PD	0	0.00	0	0.00	1,030	0.00	1,030	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>184,561</b>	<b>0.00</b>	<b>184,561</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$13,163,522</b>	<b>239.61</b>	<b>\$13,219,156</b>	<b>246.71</b>	<b>\$14,079,476</b>	<b>263.71</b>	<b>\$14,476,869</b>	<b>263.71</b>	

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Administration

Budget Unit Number: 90512C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS	3,056,092	4,855,911	1,368,385	9,280,388
EE	636,173	3,378,215	600,139	4,614,527
PSD				
Total	3,692,265	8,234,126	1,968,524	13,894,915
FTE	85.86	136.55	41.30	263.71

<b>Est. Fringe</b>	1,494,123	2,374,055	669,003	4,537,182
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability Collections Fund (TPL) (0120)  
Health Initiatives Fund (HIF) (0275)  
Nursing Facility Quality of Care Fund (NFQC) (0271)  
Pharmacy Rebates (0114)  
MO Rx Fund (0779)  
Pharmacy FRA (0144)

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS	3,056,092	4,855,911	1,368,385	9,280,388
EE	636,173	3,378,215	600,139	4,614,527
PSD				
Total	3,692,265	8,234,126	1,968,524	13,894,915
FTE	85.86	136.55	41.30	263.71

<b>Est. Fringe</b>	1,494,123	2,374,055	669,003	4,537,182
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability Collections Fund (TPL) (0120)  
Health Initiatives Fund (HIF) (0275)  
Nursing Facility Quality of Care Fund (NFQC) (0271)  
Pharmacy Rebates (0114)  
MO Rx Fund (0779)  
Pharmacy FRA (0144)

## 2. CORE DESCRIPTION

This core request is for the continued operation of the Missouri Medicaid program. The Division of Medical Services seeks to aid recipients and providers in their efforts to access the Medicaid program by utilizing administrative staffing, expense and equipment and contractor resources effectively.

## 3. PROGRAM LISTING (list programs included in this core funding)

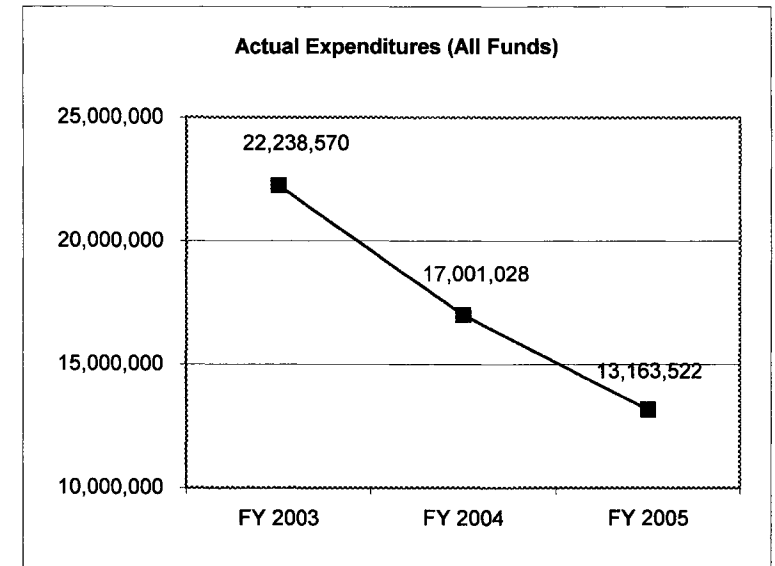
Division of Medical Services Administration

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# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	24,485,136	19,909,020	13,877,175	13,219,156
Less Reverted (All Funds)	(912,326)	(180,808)	(273,716)	N/A
Budget Authority (All Funds)	23,572,810	19,728,212	13,603,459	N/A
Actual Expenditures (All Funds)	22,238,570	17,001,028	13,163,522	N/A
Unexpended (All Funds)	1,334,240	2,727,184	439,937	N/A
Unexpended, by Fund:				
General Revenue	9,992	116	6,617	N/A
Federal	1,322,246	1,845,341	426,167	N/A
Other	2,002	881,727	7,153	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Agency reserve of \$1,310,077 in federal funds: \$366,726 in PS; \$943,351 in EE.

(2) Agency reserve of \$1,829,244 in federal funds: \$794,285 in PS; \$1,034,959 in EE; \$1,916,685 empty federal fund authority core cut in FY2005.  
Agency reserve of \$878,615 in other funds/TPL: \$201,459 in PS; \$677,156 in EE.

(3) Agency reserve of \$381,459 in federal funds in PS.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**  
**MEDICAL SERVICES ADMIN**

**5. CORE RECONCILIATION**

		<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>								
		PS	246.71	3,060,064	4,855,911	695,559	8,611,534	
		EE	0.00	666,402	3,403,286	537,934	4,607,622	
		<b>Total</b>	<b>246.71</b>	<b>3,726,466</b>	<b>8,259,197</b>	<b>1,233,493</b>	<b>13,219,156</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Transfer In	[#3219]	PS	17.00	0	0	662,112	662,112	
Transfer In	[#3219]	EE	0.00	0	0	57,800	57,800	
Core Reallocation	[#214]	PS	0.00	0	0	0	0	
Core Reallocation	[#927]	PS	0.00	6,742	0	0	6,742	Transfer in from DSS Overtime due to changes in SB 367 (2005).
Core Reallocation	[#1395]	EE	0.00	(25,824)	(25,071)	0	(50,895)	Transfer funding for IT related expenditures to IT Consolidation.
<b>NET DEPARTMENT CHANGES</b>			<b>17.00</b>	<b>(19,082)</b>	<b>(25,071)</b>	<b>719,912</b>	<b>675,759</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PS	263.71	3,056,092	4,855,911	1,368,385	9,280,388	
		EE	0.00	636,173	3,378,215	600,139	4,614,527	
		<b>Total</b>	<b>263.71</b>	<b>3,692,265</b>	<b>8,234,126</b>	<b>1,968,524</b>	<b>13,894,915</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PS	263.71	3,056,092	4,855,911	1,368,385	9,280,388	
		EE	0.00	636,173	3,378,215	600,139	4,614,527	
		<b>Total</b>	<b>263.71</b>	<b>3,692,265</b>	<b>8,234,126</b>	<b>1,968,524</b>	<b>13,894,915</b>	

# FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER: 90512C	DEPARTMENT: Social Services
BUDGET UNIT NAME: Administration	DIVISION: Medical Services

1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.

DEPARTMENT REQUEST					GOVERNOR RECOMMENDATION				
Section	PS or E&E	Core	% Flex Requested	Flex Request Amount	Section	PS or E&E	Core	% Flex Gov Rec	Flex Gov Rec Amount
	PS	\$9,280,388	20%	\$1,856,078		PS	\$9,280,388	20%	\$1,856,078
	E&E	\$4,614,527	20%	\$922,905		E&E	\$4,614,527	20%	\$922,905
Total Request		\$13,894,915	20%	\$2,778,983	Total Gov. Rec.		\$13,894,915	20%	\$2,778,983

2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
Flexibility was not used in FY05	House Bill 11.400 language allows for up to 20% flexibility between personal service and equipment and expense. DMS does not have an estimate of the amount of that flexibility that might be used in FY06.	20% flexibility is being requested for FY07. DMS does not have an estimate of the amount of flexibility that might be used if approved.

3. Was flexibility approved in the Prior Year Budget or the Current Year Budget? If so, how was the flexibility used during those years?

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
In FY05 10% flexibility between personal service and equipment/expense was granted. However, flexibility was not used.	20% flexibility between personal service and equipment/expense was granted. At this time DMS does not have an estimate of the amount of flexibility that might be used in FY06.

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# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MEDICAL SERVICES ADMIN</b>								
<b>CORE</b>								
OFFICE SUPPORT ASST (CLERICAL)	68,082	3.20	72,656	3.00	72,656	3.00	72,656	3.00
SR OFC SUPPORT ASST (CLERICAL)	3,653	0.14	0	0.00	0	0.00	0	0.00
ADMIN OFFICE SUPPORT ASSISTANT	184,950	7.49	202,388	8.58	223,750	9.00	223,750	9.00
OFFICE SUPPORT ASST (KEYBRD)	79,667	4.07	171,064	7.49	164,289	7.01	164,289	7.01
SR OFC SUPPORT ASST (KEYBRD)	325,572	14.75	377,517	15.87	447,741	18.87	447,741	18.87
MAILING EQUIPMENT OPER	6,794	0.26	0	0.00	0	0.00	0	0.00
COMPUTER INFO TECHNOLOGIST III	244,217	5.86	0	0.00	0	0.00	0	0.00
ACCOUNT CLERK I	0	0.00	19,119	1.00	0	0.00	0	0.00
ACCOUNT CLERK II	117,220	5.22	117,780	4.97	117,780	4.97	117,780	4.97
AUDITOR II	35,620	1.09	0	0.00	180,645	7.24	180,645	7.24
AUDITOR I	138,069	4.46	206,778	7.00	0	(0.00)	0	(0.00)
SENIOR AUDITOR	246,553	6.51	277,671	8.24	264,516	7.00	264,516	7.00
AUDITOR III	87,055	1.92	143,202	3.00	46,356	1.00	46,356	1.00
ACCOUNTANT I	43,965	1.66	28,969	1.01	54,005	2.01	54,005	2.01
ACCOUNTANT III	123,695	3.33	180,033	4.00	167,116	4.00	167,116	4.00
PERSONNEL OFCR I	36,394	1.00	36,444	1.00	36,444	1.00	36,444	1.00
PUBLIC INFORMATION COOR	11,988	0.26	0	0.00	0	0.00	0	0.00
PUBLIC INFORMATION ADMSTR	637	0.01	0	0.00	0	0.00	0	0.00
EXECUTIVE II	31,954	1.00	34,331	1.00	34,331	1.00	34,331	1.00
MANAGEMENT ANALYSIS SPEC II	180,277	4.41	235,773	7.00	243,773	7.00	243,773	7.00
HEALTH PROGRAM REP III	0	0.00	0	0.00	157,256	4.00	157,256	4.00
PERSONNEL CLERK	0	0.00	26,808	1.00	26,808	1.00	26,808	1.00
PHYSICIAN III	99,214	1.00	99,264	1.00	99,264	1.00	99,264	1.00
REGISTERED NURSE III	76,076	2.01	79,447	2.00	79,447	2.00	79,447	2.00
REGISTERED NURSE IV	169,162	3.87	177,213	4.00	177,213	4.00	177,213	4.00
REGISTERED NURSE V	51,322	1.00	51,372	1.00	51,372	1.00	51,372	1.00
PHARMACEUTICAL CNSLT	0	0.00	277,400	2.00	277,400	2.00	277,400	2.00
PROGRAM DEVELOPMENT SPEC	385,171	10.08	346,818	9.00	380,818	10.00	380,818	10.00
MEDICAID PROGRAM RELATIONS REP	112,785	3.00	112,981	3.58	112,981	3.58	112,981	3.58
CORRESPONDENCE & INFO SPEC I	677,908	20.73	687,801	21.00	687,801	21.00	687,801	21.00
MEDICAID PHARMACEUTICAL TECH	162,690	5.61	173,498	6.00	206,278	7.00	206,278	7.00
MEDICAID CLERK	325,072	12.82	375,714	14.60	403,962	15.60	403,962	15.60

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MEDICAL SERVICES ADMIN</b>								
<b>CORE</b>								
MEDICAID TECHNICIAN	1,185,489	40.10	1,053,624	37.96	1,066,345	39.46	1,066,345	39.46
MEDICAID SPEC	1,157,573	32.84	1,211,385	34.00	1,340,351	37.00	1,340,351	37.00
MEDICAID UNIT SPV	341,864	7.87	348,933	8.44	398,441	9.00	398,441	9.00
GRAPHIC ARTS SPEC II	8,746	0.27	0	0.00	0	0.00	0	0.00
GRAPHICS SPV	11,538	0.28	0	0.00	0	0.00	0	0.00
FISCAL & ADMINISTRATIVE MGR B1	30,872	0.71	0	0.00	96,846	2.00	96,846	2.00
FISCAL & ADMINISTRATIVE MGR B2	156,332	3.02	155,436	3.00	156,528	3.00	156,528	3.00
RESEARCH MANAGER B1	0	0.00	0	0.00	48,300	1.00	48,300	1.00
SOCIAL SERVICES MGR, BAND 1	47,338	1.06	44,689	1.00	44,689	1.00	44,689	1.00
SOCIAL SERVICES MNGR, BAND 2	603,223	11.80	615,859	12.02	682,059	13.02	682,059	13.02
DIVISION DIRECTOR	85,367	0.97	88,200	1.00	88,200	1.00	88,200	1.00
DEPUTY DIVISION DIRECTOR	94,178	1.30	145,584	2.00	145,584	2.00	145,584	2.00
DESIGNATED PRINCIPAL ASST DIV	22,044	0.33	92,344	2.00	92,344	2.00	92,344	2.00
PROJECT SPECIALIST	30,254	0.51	0	0.00	0	0.00	0	0.00
PROGRAM MANAGER	16,631	0.22	0	0.00	0	0.00	0	0.00
LEGAL COUNSEL	64,810	1.00	64,860	1.00	64,860	1.00	64,860	1.00
CLERK	23,538	1.23	0	0.00	0	0.00	0	0.00
TYPIST	8,025	0.41	0	0.00	0	0.00	0	0.00
OFFICE WORKER MISCELLANEOUS	3,937	0.19	0	0.00	0	0.00	0	0.00
MISCELLANEOUS TECHNICAL	52,287	1.80	0	0.00	0	0.00	0	0.00
SPECIAL ASST PROFESSIONAL	456,178	4.93	206,396	3.95	206,396	3.95	206,396	3.95
SPECIAL ASST OFFICE & CLERICAL	68,435	2.01	72,183	2.00	72,183	2.00	72,183	2.00
PRINCIPAL ASST BOARD/COMMISSON	0	0.00	0	0.00	63,260	1.00	63,260	1.00
<b>TOTAL - PS</b>	<b>8,494,421</b>	<b>239.61</b>	<b>8,611,534</b>	<b>246.71</b>	<b>9,280,388</b>	<b>263.71</b>	<b>9,280,388</b>	<b>263.71</b>
TRAVEL, IN-STATE	20,370	0.00	10,252	0.00	35,252	0.00	35,252	0.00
TRAVEL, OUT-OF-STATE	8,842	0.00	6,664	0.00	8,164	0.00	8,164	0.00
FUEL & UTILITIES	16,416	0.00	19,480	0.00	0	0.00	0	0.00
SUPPLIES	571,640	0.00	561,978	0.00	566,978	0.00	566,978	0.00
PROFESSIONAL DEVELOPMENT	18,160	0.00	2,563	0.00	10,500	0.00	10,500	0.00
COMMUNICATION SERV & SUPP	143,417	0.00	169,165	0.00	155,719	0.00	155,719	0.00
PROFESSIONAL SERVICES	3,773,779	0.00	3,704,510	0.00	3,736,808	0.00	3,736,808	0.00
JANITORIAL SERVICES	11,556	0.00	12,303	0.00	12,303	0.00	12,303	0.00

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MEDICAL SERVICES ADMIN</b>								
<b>CORE</b>								
M&R SERVICES	81,822	0.00	87,146	0.00	71,100	0.00	71,100	0.00
COMPUTER EQUIPMENT	12,684	0.00	0	0.00	0	0.00	0	0.00
OFFICE EQUIPMENT	2,337	0.00	628	0.00	3,800	0.00	3,800	0.00
OTHER EQUIPMENT	3,822	0.00	3,713	0.00	4,013	0.00	4,013	0.00
REAL PROPERTY RENTALS & LEASES	120	0.00	0	0.00	1,600	0.00	1,600	0.00
EQUIPMENT RENTALS & LEASES	0	0.00	21,530	0.00	100	0.00	100	0.00
MISCELLANEOUS EXPENSES	4,136	0.00	7,690	0.00	8,190	0.00	8,190	0.00
<b>TOTAL - EE</b>	<b>4,669,101</b>	<b>0.00</b>	<b>4,607,622</b>	<b>0.00</b>	<b>4,614,527</b>	<b>0.00</b>	<b>4,614,527</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$13,163,522</b>	<b>239.61</b>	<b>\$13,219,156</b>	<b>246.71</b>	<b>\$13,894,915</b>	<b>263.71</b>	<b>\$13,894,915</b>	<b>263.71</b>
<b>GENERAL REVENUE</b>	<b>\$3,881,733</b>	<b>88.78</b>	<b>\$3,726,466</b>	<b>85.86</b>	<b>\$3,692,265</b>	<b>85.57</b>	<b>\$3,692,265</b>	<b>85.57</b>
<b>FEDERAL FUNDS</b>	<b>\$8,058,806</b>	<b>130.94</b>	<b>\$8,259,197</b>	<b>136.55</b>	<b>\$8,234,126</b>	<b>136.55</b>	<b>\$8,234,126</b>	<b>136.55</b>
<b>OTHER FUNDS</b>	<b>\$1,222,983</b>	<b>19.89</b>	<b>\$1,233,493</b>	<b>24.30</b>	<b>\$1,968,524</b>	<b>41.59</b>	<b>\$1,968,524</b>	<b>41.59</b>

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## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Medical Services Administration**

**Program is found in the following core budget(s): Medical Services Administration**

### 1. What does this program do?

*PROGRAM SYNOPSIS: These staff administer the Medicaid/MC+ program. This appropriation funds administrative staffing, expense and equipment and contractor resources.*

In order to efficiently operate the \$4.8 billion Missouri Medicaid program, the Division of Medical Services effectively utilizes its staff of 246.71 FTE. Without these staff and expense and equipment resources, the Medicaid program would not function. The staff running the Medicaid program account for less than ½% of total state employees while the Medicaid program comprises almost 25% of the total FY 2006 state operating budget of \$19 billion. The Administrative portion of the budget (Personal Services and Expense and Equipment) comprises less than 0.3% of the division's total budget. Total clients of the division are approximately 1,024,502, composed of recipients and providers, for a ratio of 4,086 clients per FTE. The recipients and providers benefit from the assistance of the Division of Medical Services' staff.

Administrative expenditures for the division consist of Personal Services and Expense and Equipment. These expenditures are driven by the operational demands of the Title XIX program and a number of state-only programs. At the present time, the division operates both a fee-for-service program and a managed care program. As of June 2005, there are 450,261 recipients eligible for capitated managed care in the Eastern, Central and Western regions of the state. At the same time, fee-for-service programs with 534,372 Medicaid eligibles are being operated for those not in managed care.

Focus of staff is to ensure eligible recipients receive needed services and providers receive timely and proper payment for services provided. Staff monitor utilization and program compliance of Medicaid providers and recipients to identify Medicaid overpayments and fraud, waste and abuse of Medicaid dollars. A new fraud and abuse detection system, Medstat Advantage Suite, was recently implemented. This will help staff to prevent, identify, and deter fraud and abuse in the Missouri Medicaid program.

#### Personal Services

The Administrative Services Section, which includes the Office of the Director and Legal Counsel and the Management Services Section, provides executive management support for the division and also performs cost recovery activities. The section consists of 52.88 FTE.

The Finance Section, which consists of Cash Control, Budget, and Institutional Reimbursement, performs rate setting for the institutions, accounting functions, auditing and budgeting. There are 34.24 FTE performing the Finance Section functions.

Program Management Section has the dual responsibility of coordinating service delivery for recipients under both the managed care and fee-for-service programs. In addition, provider relations and recipient services are responsibilities of this section. A total of 76.09 FTE are assigned to the section's functions.

The Information Services Section is responsible for all management information system functions. Info Services is also responsible for the quality assurance function required by managed care. The reporting and measuring of quality of care given is essential, as described previously under contract compliance issues. In addition, provider enrollment and program integrity are responsibilities of this section. There are a total of 49.50 FTE in the section.

The Pharmacy Administration Section is responsible for the management of quality assessment, exceptions, and program operations for pharmacy services under both the managed care and fee-for-service programs. There are 34 FTE designated to perform these duties.

#### Expense and Equipment

The other major category in the Administration Core besides Personal Services is Expense and Equipment (E&E). In the FY 2006 core, it comprises almost 34.9% of the total Administration Core of \$13.2 million, or approximately \$4.7 million.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

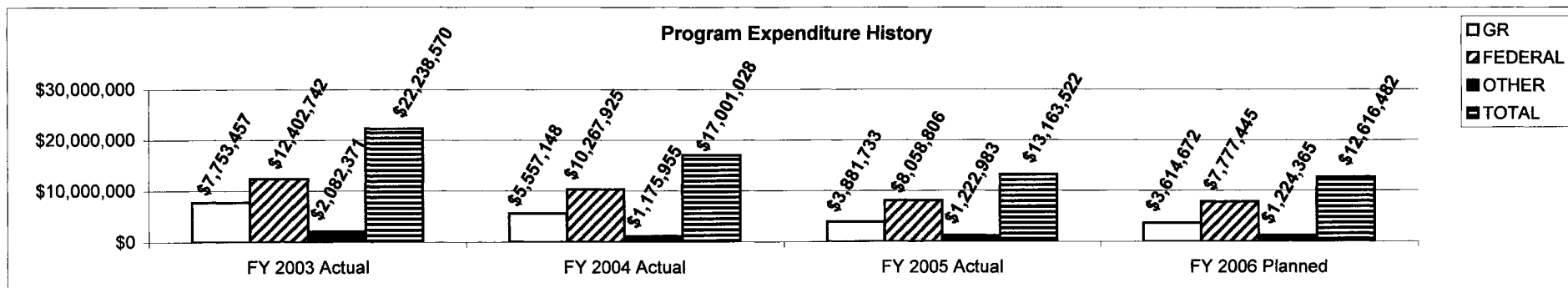
### 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

### 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

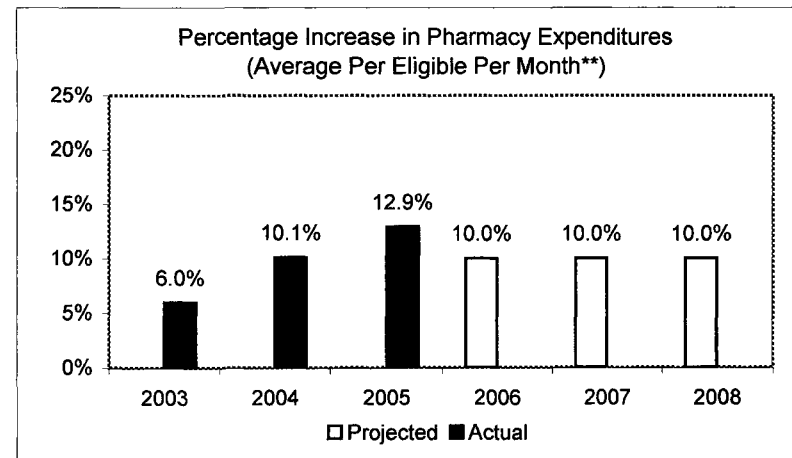
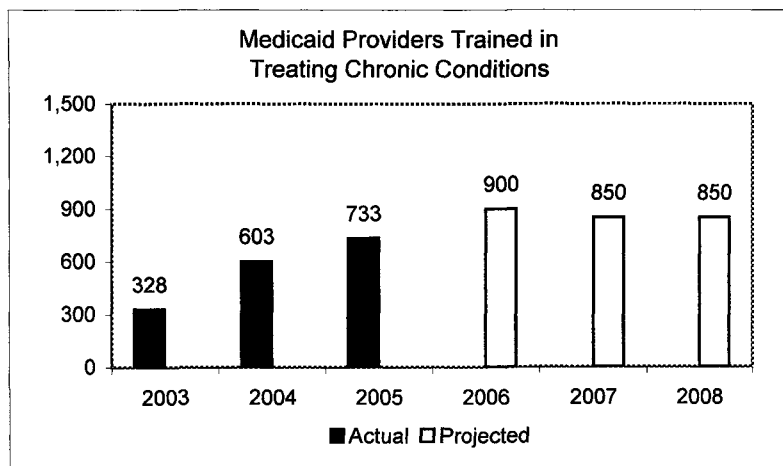
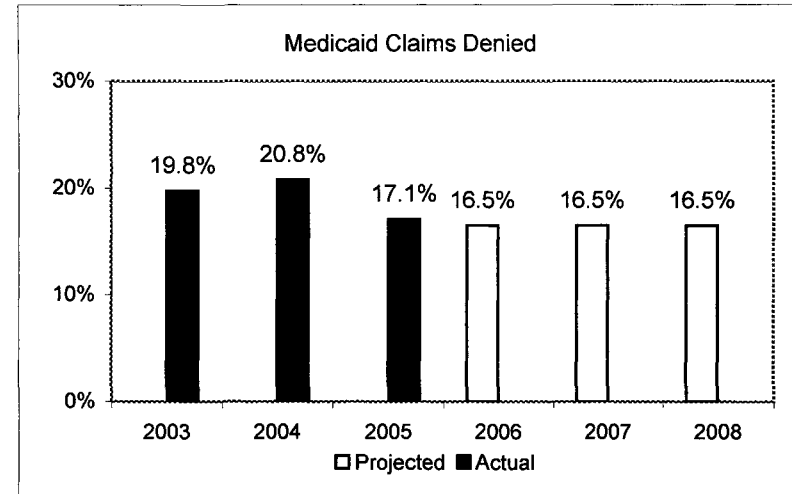
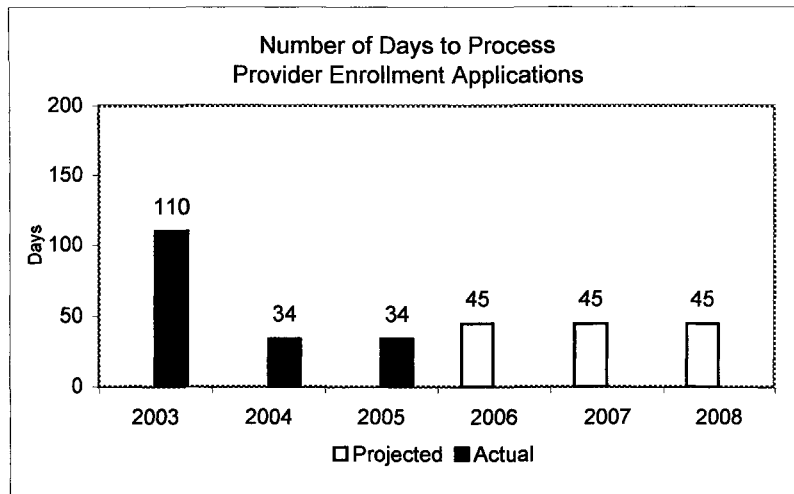


### 6. What are the sources of the "Other" funds?

Pharmacy Rebates Fund (0114), Third Party Liability Collections Fund (0120), Nursing Facility Quality of Care Fund (0271), Health Initiatives Fund (0275) and Pharmacy Reimbursement Allowance Fund (0144).

### 7a. Provide an effectiveness measure.

**7b. Provide an efficiency measure.**



\*\*Based on 2003, 3% below the national average would be 11.5%.

10% is used as target because it is less than the national average less 3%.

**7c. Provide the number of clients/individuals served, if applicable.**

SFY	Medicaid Enrollees	
	Actual	Projected
2003	928,023	N/A
2004	974,559	N/A
2005	992,622	N/A
2006		913,506
2007		926,868
2008		940,400

**7d. Provide a customer satisfaction measure, if available.**

**NEW DECISION ITEM  
RANK: 25**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: Federal Authority for MO Rx Program Staff**

**Budget Unit Number: 90516C**  
**DI#: 886024**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request			
	GR	Federal	Total
PS		164,349	164,349
EE		19,182	19,182
PSD		1,030	1,030
<b>Total</b>		<b>184,561</b>	<b>184,561</b>
<b>FTE</b>			<b>0.00</b>

<b>Est. Fringe</b>	<b>0</b>	<b>80,350</b>	<b>0</b>	<b>80,350</b>
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

FY 2007 Governor's Recommendation			
	GR	Federal	Total
PS		164,349	164,349
EE		19,182	19,182
PSD		1,030	1,030
<b>Total</b>		<b>184,561</b>	<b>184,561</b>
<b>FTE</b>			<b>0.00</b>

<b>Est. Fringe</b>	<b>0</b>	<b>80,350</b>	<b>0</b>	<b>80,350</b>
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Federal Authority	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: To request federal authority for seven transferred staff that will now earn federal match.*

To request federal authority to provide federal matching funds of 50% (75% for the medical professional) for Personal Services and Expense & Equipment for seven staff transferred from the DHSS/Senior Rx program to the Division of Medical Services under SB 539 (2005) - RSMo 208.780 through 208.798.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

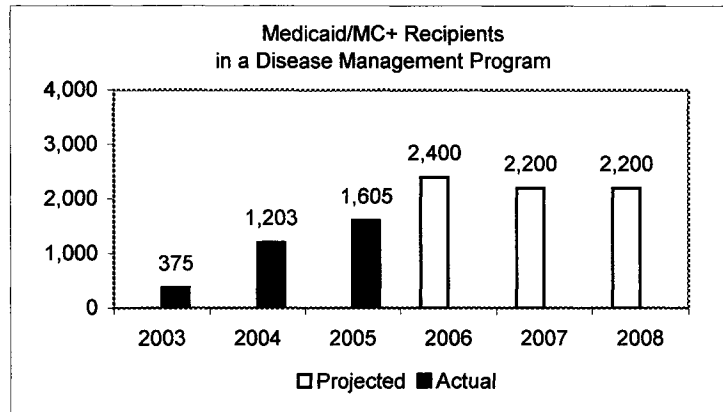
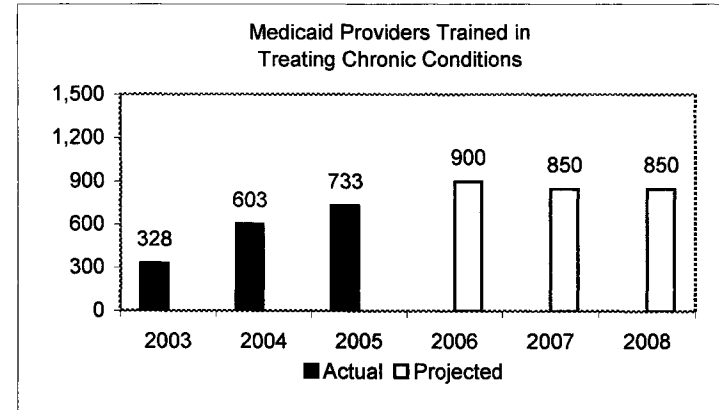
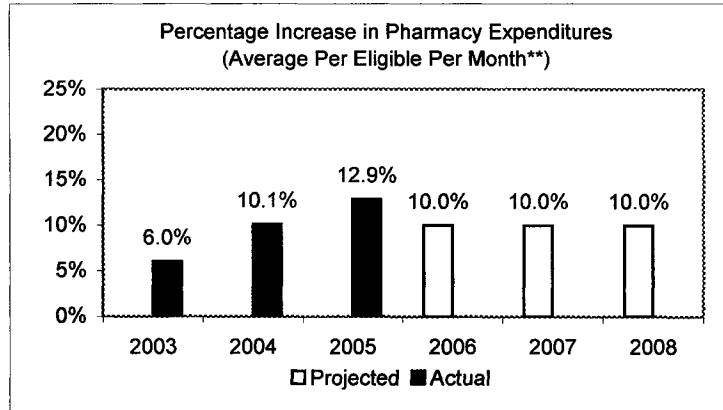
Seven staff transferred from the DHSS Senior Rx program to the Division of Medical Services will now earn federal match. Six of the seven will earn a 50% federal match. One of the staff (Principal Asst. Board/Commission) is a medical professional that will earn a 75% federal match.

<b>5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.</b>									
<b>Budget Object Class/Job Class</b>	<b>Dept Req GR DOLLARS</b>	<b>Dept Req GR FTE</b>	<b>Dept Req FED DOLLARS</b>	<b>Dept Req FED FTE</b>	<b>Dept Req OTHER DOLLARS</b>	<b>Dept Req OTHER FTE</b>	<b>Dept Req TOTAL DOLLARS</b>	<b>Dept Req TOTAL FTE</b>	<b>Dept Req One-Time DOLLARS</b>
Job Class 9724/Principal Asst. Board/Commission			67,125				67,125		
Job Class 8202/Social Services Manager Band 2			24,000				24,000		
Job Class 0576/Health Program Rep III			16,290				16,290		
Job Class 0023/Senior Office Support Asst.			11,136				11,136		
Job Class 5338/Medicaid Pharmaceutical Tech			14,130				14,130		
Job Class 5341/Medicaid Technician			14,130				14,130		
Job Class 5342/Medicaid Specialist			17,538				17,538		
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>164,349</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>164,349</b>	<b>0.0</b>	<b>0</b>
580/Office Equipment			165				165		
590/Other Equipment			62				62		
340/Communication Serv. & Supp.			3,088				3,088		
430/M&R Services			1,030				1,030		
190/Supplies			1,030				1,030		
690/Equipment Rentals & Leases			21				21		
680/Real Property Rentals & Leases			330				330		
740/Miscellaneous Expenses			103				103		
320/Professional Development			103				103		
140/Travel In-State			12,500				12,500		
160/Travel Out-of-State			750				750		
<b>Total EE</b>	<b>0</b>		<b>19,182</b>		<b>0</b>		<b>19,182</b>		<b>0</b>
800/Program Distributions			1,030				1,030		
<b>Total PSD</b>	<b>0</b>		<b>1,030</b>		<b>0</b>		<b>1,030</b>		<b>0</b>
<b>Grand Total</b>	<b>0</b>	<b>0.0</b>	<b>184,561</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>184,561</b>	<b>0.0</b>	<b>0</b>

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Job Class 9724/Principal Asst. Board/Commission			67,125				67,125		
Job Class 8202/Social Services Manager Band 2			24,000				24,000		
Job Class 0576/Health Program Rep III			16,290				16,290		
Job Class 0023/Senior Office Support Asst.			11,136				11,136		
Job Class 5338/Medicaid Pharmaceutical Tech			14,130				14,130		
Job Class 5341/Medicaid Technician			14,130				14,130		
Job Class 5342/Medicaid Specialist			17,538				17,538		
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>164,349</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>164,349</b>	<b>0.0</b>	<b>0</b>
580/Office Equipment			165				165		
590/Other Equipment			62				62		
340/Communication Serv. & Supp.			3,088				3,088		
430/M&R Services			1,030				1,030		
190/Supplies			1,030				1,030		
690/Equipment Rentals & Leases			21				21		
680/Real Property Rentals & Leases			330				330		
740/Miscellaneous Expenses			103				103		
320/Professional Development			103				103		
140/Travel In-State			12,500				12,500		
160/Travel Out-of-State			750				750		
<b>Total EE</b>	<b>0</b>		<b>19,182</b>		<b>0</b>		<b>19,182</b>		<b>0</b>
800/Program Distributions			1,030				1,030		
<b>Total PSD</b>	<b>0</b>		<b>1,030</b>		<b>0</b>		<b>1,030</b>		<b>0</b>
<b>Grand Total</b>	<b>0</b>	<b>0.0</b>	<b>184,561</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>184,561</b>	<b>0.0</b>	<b>0</b>

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**

**6c. Provide the number of clients/individuals served, if applicable.**

Number of Pharmacy Claims		
SFY	Actual	Projected
2003	15.4 mil	16.2 mil
2004	17.1 mil	16.5 mil
2005	19.1 mil	18.8 mil
2006		16.2 mil*
2007		10.4 mil
2008		11.4 mil

\*Reduction in FY06 due to the Medicare Modernization Act (MMA)

**6d. Provide a customer satisfaction measure, if available.**

#### **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Continue review, update and implementation of new maximum allowable costs for drug products.
- Continue implementation of clinical edits, prior authorization and step therapy.
- Initiate a preferred drug list with accompanying supplemental rebates.
- Continue diabetic supplies sole source contract for cost containment.
- Continue existing cost containment activities.
- Implement third party liability cost avoidance on pharmacy claims.
- Identify providers currently serving the targeted population to invite them to participate in disease management.
- Make personal visits with providers to explain the program and assist with enrollment paperwork.
- Focus on clinical benefits of the participation and show providers the financial incentives.
- Reinforce clinical areas for improvement and provide clinical education where appropriate.
- Dedicated help desk for provider support.
- Continue statewide identification of recipients with targeted disease states.
- Continue outreach efforts through recipient mailings and direct promotion by their current practitioners.
- Dedicated help desk for recipient support.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MEDICAL SERVICES ADMIN</b>								
<b>Fed Authority for MO Rx Staff - 1886024</b>								
SR OFC SUPPORT ASST (KEYBRD)	0	0.00	0	0.00	11,136	0.00	11,136	0.00
HEALTH PROGRAM REP III	0	0.00	0	0.00	16,290	0.00	16,290	0.00
MEDICAID PHARMACEUTICAL TECH	0	0.00	0	0.00	14,130	0.00	14,130	0.00
MEDICAID TECHNICIAN	0	0.00	0	0.00	14,130	0.00	14,130	0.00
MEDICAID SPEC	0	0.00	0	0.00	17,538	0.00	17,538	0.00
SOCIAL SERVICES MNGR, BAND 2	0	0.00	0	0.00	24,000	0.00	24,000	0.00
PROJECT SPECIALIST	0	0.00	0	0.00	67,125	0.00	67,125	0.00
<b>TOTAL - PS</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>164,349</b>	<b>0.00</b>	<b>164,349</b>	<b>0.00</b>
TRAVEL, IN-STATE	0	0.00	0	0.00	12,500	0.00	12,500	0.00
TRAVEL, OUT-OF-STATE	0	0.00	0	0.00	750	0.00	750	0.00
SUPPLIES	0	0.00	0	0.00	1,030	0.00	1,030	0.00
PROFESSIONAL DEVELOPMENT	0	0.00	0	0.00	103	0.00	103	0.00
COMMUNICATION SERV & SUPP	0	0.00	0	0.00	3,088	0.00	3,088	0.00
M&R SERVICES	0	0.00	0	0.00	1,030	0.00	1,030	0.00
OFFICE EQUIPMENT	0	0.00	0	0.00	165	0.00	165	0.00
OTHER EQUIPMENT	0	0.00	0	0.00	62	0.00	62	0.00
REAL PROPERTY RENTALS & LEASES	0	0.00	0	0.00	330	0.00	330	0.00
EQUIPMENT RENTALS & LEASES	0	0.00	0	0.00	21	0.00	21	0.00
MISCELLANEOUS EXPENSES	0	0.00	0	0.00	103	0.00	103	0.00
<b>TOTAL - EE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>19,182</b>	<b>0.00</b>	<b>19,182</b>	<b>0.00</b>
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,030	0.00	1,030	0.00
<b>TOTAL - PD</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,030</b>	<b>0.00</b>	<b>1,030</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$184,561</b>	<b>0.00</b>	<b>\$184,561</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
<b>FEDERAL FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$184,561</b>	<b>0.00</b>	<b>\$184,561</b>	<b>0.00</b>
<b>OTHER FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>



# **FY07 Department of Social Services Report #9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO RX COMMISSION</b>								
MO Rx Advisory Comm - 1886036								
PERSONAL SERVICES								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	142,893	4.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	142,893	4.00
EXPENSE & EQUIPMENT								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	257,840	0.00
TOTAL - EE	0	0.00	0	0.00	0	0.00	257,840	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>400,733</b>	<b>4.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$400,733</b>	<b>4.00</b>



**NEW DECISION ITEM  
RANK: 999**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: SB 539 Missouri Rx Advisory Commission**

**Budget Unit Number: 90519C**

**DI#: 886036**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD				
<b>Total</b>				<b>0</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS	142,893			142,893
EE	257,840			257,840
PSD				
<b>Total</b>	<b>400,733</b>			<b>400,733</b>
<b>FTE</b>	<b>4.00</b>			<b>4.00</b>

<b>Est. Fringe</b>				
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funding to support staff for the Missouri Rx Plan Advisory Commission.*

Funding is being requested for staff to support the Missouri Rx Plan Advisory Commission. This includes four (4.00) new FTE with related expense and equipment funding. The advisory commission is charged with providing advice on the benefit design and operational policy of the Missouri Rx Plan.

State statute: RSMo. 208.792

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The funding of \$400,733 is requested to provide support for the Missouri Rx Plan Advisory Commission and to establish a clearinghouse to educate Missouri residents on quality prescription drug programs and to assist Missouri residents in enrolling or accessing prescription drug assistance programs for which they are eligible. These funds are requested from general revenue. With the transition of the Missouri Senior Rx Program in the Department of Health and Senior Services to the Missouri Rx Plan, the advisory commission is being created within the Department of Social Services where the Missouri Rx Plan is being administered. The commission is being established pursuant to SB 539 (2005).

	GR	FF	Other	Total
Personal Services	142,893			142,893
Expense & Equipment	257,840			257,840
	400,733			400,733

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Total PSD	0		0		0		0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Medicaid Program Relations Rep	36,057	1.00					36,057	1.00	
Medicaid Specialist	78,576	2.00					78,576	2.00	
Medicaid Clerk	28,260	1.00					28,260	1.00	
<b>Total PS</b>	<b>142,893</b>	<b>4.00</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>142,893</b>	<b>4.00</b>	<b>0</b>
Travel, In-State	5,000						5,000		
Supplies	2,885						2,885		
Professional Development	12,575						12,575		
Professional Services	225,000						225,000		
M&R Services	2,000						2,000		
Computer Equipment	3,864						3,864		3,864
Office Equipment	6,516						6,516		6,516
<b>Total EE</b>	<b>257,840</b>		<b>0</b>		<b>0</b>		<b>257,840</b>		<b>10,380</b>
<b>Total PSD</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Grand Total</b>	<b>400,733</b>	<b>4.00</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>400,733</b>	<b>4.00</b>	<b>10,380</b>

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

**6b. Provide an efficiency measure.**

**6c. Provide the number of clients/individuals served, if applicable.**

Number of Senior Rx Program participants	
FY 2003	21,928
FY 2004	18,797
FY 2005	17,438
FY 2006	13,787

Projected number of Missouri Rx Plan participants	
FY 2006	
FY 2007	
FY 2008	

**6d. Provide a customer satisfaction measure, if available.**

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Provide advice on guidelines, policies and procedures necessary to establish the Missouri Rx Plan
- Educate Missouri residents on quality prescription drug programs and cost containment strategies in medication therapy
- Assist Missouri residents in enrolling or accessing prescription drug assistance programs for which they are eligible
- Hold quarterly meetings and other meetings as deemed necessary to meet Missouri Rx Plan objectives

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO RX COMMISSION</b>								
<b>MO Rx Advisory Comm - 1886036</b>								
MEDICAID PROGRAM RELATIONS REP	0	0.00	0	0.00	0	0.00	36,057	1.00
MEDICAID CLERK	0	0.00	0	0.00	0	0.00	28,260	1.00
MEDICAID SPEC	0	0.00	0	0.00	0	0.00	78,576	2.00
<b>TOTAL - PS</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>142,893</b>	<b>4.00</b>
TRAVEL, IN-STATE	0	0.00	0	0.00	0	0.00	5,000	0.00
SUPPLIES	0	0.00	0	0.00	0	0.00	2,885	0.00
PROFESSIONAL DEVELOPMENT	0	0.00	0	0.00	0	0.00	12,575	0.00
PROFESSIONAL SERVICES	0	0.00	0	0.00	0	0.00	225,000	0.00
M&R SERVICES	0	0.00	0	0.00	0	0.00	2,000	0.00
COMPUTER EQUIPMENT	0	0.00	0	0.00	0	0.00	3,864	0.00
OFFICE EQUIPMENT	0	0.00	0	0.00	0	0.00	6,516	0.00
<b>TOTAL - EE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>257,840</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$400,733</b>	<b>4.00</b>
<b>GENERAL REVENUE</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$400,733</b>	<b>4.00</b>
<b>FEDERAL FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
<b>OTHER FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>HEALTH CARE TECHNOLOGY</b>									
Healthcare Technology Expend - 1886035									
PROGRAM-SPECIFIC									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	25,000,000	0.00	
HEALTH CARE TECHNOLOGY	0	0.00	0	0.00	0	0.00	25,000,000	0.00	
TOTAL - PD	0	0.00	0	0.00	0	0.00	50,000,000	0.00	
TOTAL	0	0.00	0	0.00	0	0.00	50,000,000	0.00	
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$50,000,000	0.00	

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**NEW DECISION ITEM  
RANK: 34**

Department: Social Services  
Division: Medical Services  
DI Name: Health Care Technology Expend

Budget Unit Number: 90518C

DI#: 886035

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD				
Total				0
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Health Care Technology Fund

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD		25,000,000	25,000,000	50,000,000
Total		25,000,000	25,000,000	50,000,000
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Health Care Technology Fund

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input checked="" type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

**NDI SYNOPSIS:** *Funding is requested to improve health care delivery efficiency.*

This funding will involve multi-year projects, with the savings generated from these projects to be reinvested and used to continue to support healthcare technology. Projects will explore new and innovative ideas on ways that technology can improve the delivery of care, reduce administrative burdens and reduce waste, fraud and abuse. This will include the implementation of some of the Medicaid Reform Commission recommendations, such as expansion and increased use of technology in healthcare including electronic medical records, community health records, personal health records and e-prescribing. Funds will be used to build a program that emphasizes personal responsibility, health literacy, and creates a structure to guide participants to become better consumers of healthcare. Projects will create data and automation systems that provide critical information about the population served, financial issues, critical management information and health outcomes to support decision-making by factual information.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Projects will explore new and innovative ideas on ways that technology can improve the delivery of care, reduce administrative burdens and reduce waste, fraud and abuse. The Division of Medical Services (DMS) is committed to identifying Medicaid overpayments and combating fraud, waste and abuse of Medicaid dollars. DMS also recognizes the need to invest in improving the talent and tools used to prevent, identify and deter fraud and abuse in Missouri Medicaid programs. Recent efforts to reduce costs and increase efficiency to improve the Medicaid program include a new fraud and abuse detection system. Medstat Advantage Suite allows staff to design and obtain adhoc reports in order to ferret out possible overpayments due to incorrect claims. This system offers immediate access to claim information on both summary and detail levels that reduce staff time and manual intervention. Efforts need to continue in the development of algorithms and the expansion of the use of technology to combat waste, fraud and abuse.

Funding will be used to implement some of the Medicaid Reform Commission recommendations, such as expansion and increased use of technology in healthcare including electronic medical records, community health records, personal health records and e-prescribing. Electronic medical records (EMRs) are an important tool in healthcare that assists in providing safe, effective healthcare to patients. DMS is implementing a new web-based tool, CyberAccessTM. This tool will allow electronic, web-based access to the provider's patient claim information, incorporating paid Medicaid medical and pharmacy claim data into a patient profile. Providers will be able to review patient utilization of services, including medications and services from other providers, diagnoses and procedures, all in a comprehensive listing in chronological order. In addition, a feature that is anticipated providers will be most interested in, will allow them to select a medication for their patient and immediately determine whether it will be reimbursed by Medicaid without limitations such as prior authorization or clinical edit. If such a limitation is in place, the provider may request an override via the electronic tool itself, and eliminate the need for a phone call or fax request.

The web based tool for the program is not an EMR, it is a care and treatment plan which is far less detailed than an EMR would be. It is consistent with the direction of the FQHCs, RHCs, and DHSS chronic care policy. It also represents a platform that could easily interface with a true EMR for those who are ready and will certainly be a step in that direction to help move the standard of practice.

This enhanced prescriber interface will also allow the program's first entry into e-prescribing, i.e. electronic prescribing. After the above process assists in selecting the best and most appropriate product, the prescriber may initiate an e-prescription that will be forwarded to the pharmacy of the patient's choice. As this process matures in prescribers' practices, total e-prescribing will be possible. E-prescribing is becoming a more popular alternative to handwriting a prescription that the patient carries to the pharmacy. Using the technology will allow easier implementation of clinical edits and step therapies by allowing the prescriber to see before finishing with the patient the outcome of the prescription in the Medicaid system. The process will reduce errors and assist in following through with the actual filling of the prescription. Medicaid will be deploying a pilot project that will include electronic prescribing via facsimile to high volume prescribers later this calendar year. This process will assist in reducing errors, following patients' adherence to therapy, and alerting the prescriber of issues while the patient is still in the office. Only approximately 10 percent of prescribers have the capability of e-prescribing today. Most, but not all, pharmacies can accept true e-prescribing. This funding will promote implementation and expansion of projects such as these.

DMS is in the process of implementing a Chronic Care Improvement Program (CCIP). The CCIP is basically an enhanced primary care case management program incorporating the tenets of disease management, care coordination and case management to a patient base selected by a risk assessment model. The CCIP goals are to improve health care quality for patients with chronic illness and decrease complications, resulting in reduced cost. The program will increase involvement of a central primary health care provider (e.g., patients will receive extra time and attention), empower patients to perform healthcare self-management, and utilize existing community resources and health infrastructures through care coordination. Within the System component, the contractor will provide an Internet-based patient Plan of Care (POC) and Information System. Interface with an EMR may be offered optionally by the contractor.

These internet tools will assist providers with accessing patient profile information gleaned from paid Medicaid claims and allow their input of patient information upon each office visit. Nationally recognized evidence-based treatment guidelines and patient education materials will be available to providers through this tool. This then would incorporate the support of best practice guidelines, medical evidence to support therapy algorithms and outcome studies to assure the best results for recipients. The strategy is to integrate prevention into the use of technology through electronic medical records to empower individual and community level health decisions and integration/coordination of care by providers.

Funds will be used to build a program that emphasizes personal responsibility, health literacy, and creates a structure to guide participants to become better consumers of healthcare. DMS will work with its sister agencies, the Department of Health and Senior Services and the Department of Mental Health, as well as the Missouri State Medical Association, the Missouri Association of Osteopathic Physicians and Surgeons, the Missouri Nursing Association, the Missouri Hospital Association, the Missouri Peer Review Organization (Primaris), the Missouri Pharmacy Association and others as necessary to coordinate services and reduce duplication of effort among state-based organizations. Additionally several of the groups have already begun initiatives in the provider community to address process and data element issues. Maintaining relationships, using initiatives that already have consensus and enabling collaboration will be key to program success. This will require a considerable amount of communication, but will also result in maximum outreach, consistency for providers, and improved use of various statewide resources.

Projects will create data and automation systems that provide critical information about the population served, financial issues, critical management information and health outcomes to support decision-making by factual information.

It is estimated that anticipated activities will earn at least a 50% federal administrative match. Some projects could be eligible for enhanced federal matching of 75%. Some projects could even qualify for 90% enhanced federal matching funds.

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Total PSD	0		0		0		0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distribution			25,000,000		25,000,000		50,000,000		
Total PSD	0		25,000,000		25,000,000		50,000,000		0
Grand Total	0	0.0	25,000,000	0.0	25,000,000	0.0	50,000,000	0.0	0

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HEALTH CARE TECHNOLOGY</b>								
Healthcare Technology Expend - 1886035								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	50,000,000	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	50,000,000	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$50,000,000</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
<b>FEDERAL FUNDS</b>								
	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$25,000,000</b>	<b>0.00</b>
<b>OTHER FUNDS</b>								
	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$25,000,000</b>	<b>0.00</b>



# **FY07 Department of Social Services Report # 9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HEALTH CARE TECH TRANSFER</b>								
Healthcare Technology Trf - 1886034								
FUND TRANSFERS								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	25,000,000	0.00
TOTAL - TRF	0	0.00	0	0.00	0	0.00	25,000,000	0.00
TOTAL	0	0.00	0	0.00	0	0.00	25,000,000	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$25,000,000	0.00



## NEW DECISION ITEM

RANK:

Department: Social Services  
 Division: Medical Services  
 DI Name: Health Care Technology Transfer

Budget Unit Number: 90517C

DI#: 886034

## 1. AMOUNT OF REQUEST

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
TRANSFER				0
Total				0
FTE				0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
TRANSFER	25,000,000			25,000,000
Total	25,000,000			25,000,000
FTE				0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

☐ New Legislation  
☐ Federal Mandate  
☐ GR Pick-Up  
☐ Pay Plan

☐ New Program  
☐ Program Expansion  
☐ Space Request  
☒ Other: Transfer Authority

☐ Supplemental  
☐ Cost to Continue  
☐ Equipment Replacement

## 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Transfer authority from General Revenue to the Health Care Technology Fund.

This request is for a General Revenue transfer to the Health Care Technology Fund. The Health Care Technology fund will support projects that explore new and innovative ideas on ways that technology can improve the delivery of care, reduce administrative burdens and reduce waste, fraud and abuse. This fund will also support the implementation of some of the Medicaid Reform Commission recommendations, such as expansion and increased use of technology in healthcare including electronic medical records, community health records, personal health records and e-prescribing. Funds will be used to build a program that emphasizes personal responsibility, health literacy, and creates a structure to guide participants to become better consumers of healthcare. Projects will create data and automation systems that provide critical information about the population served, financial issues, critical management information and health outcomes to support decision-making by factual information.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

This request will provide for a \$25,000,000 General Revenue transfer to the Health Care Technology Fund.

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Total Transfer	0		0		0		0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Fund Transfers (820)	25,000,000						25,000,000		
Total Transfer	25,000,000		0		0		25,000,000		0
Grand Total	25,000,000	0.0	0	0.0	0	0.0	25,000,000	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

- 6a. Provide an effectiveness measure.
- 6b. Provide an efficiency measure.
- 6c. Provide the number of clients/individuals served, if applicable.
- 6d. Provide a customer satisfaction measure, if available.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Create structures to guide participants to become better consumers of healthcare.
- Create evidence based health promotion and education programs.
- Create data and automation systems that provide critical information about the population served, financial issues, critical management information and health outcomes to support decision making by factual information.
- Integrate prevention into the use of technology through electronic medical records to empower individual and community level health decisions and integration/coordination of care by providers.
- Encourage the wide based used of electronic medical records (EMRs) in Medicaid provider offices.
- Support the inclusion of new technology as it becomes available especially in the areas of electronic prescribing and electronic medical records.

# FY07 Department of Social Services Report # 10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HEALTH CARE TECH TRANSFER</b>								
Healthcare Technology Trf - 1886034								
FUND TRANSFERS	0	0.00	0	0.00	0	0.00	25,000,000	0.00
TOTAL - TRF	0	0.00	0	0.00	0	0.00	25,000,000	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$25,000,000</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$25,000,000	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY PROGRAM MGMT</b>								
<b>CORE</b>								
<b>EXPENSE &amp; EQUIPMENT</b>								
GENERAL REVENUE	2,182,089	0.00	2,301,123	0.00	2,301,123	0.00	2,301,123	0.00
DEPT OF SOC SERV FEDERAL & OTH	3,469,346	0.00	3,602,788	0.00	3,602,788	0.00	3,602,788	0.00
THIRD PARTY LIABILITY COLLECT	562,521	0.00	924,911	0.00	924,911	0.00	924,911	0.00
MISSOURI RX PLAN FUND	0	0.00	0	0.00	4,155,894	0.00	4,155,894	0.00
TOTAL - EE	6,213,956	0.00	6,828,822	0.00	10,984,716	0.00	10,984,716	0.00
<b>PROGRAM-SPECIFIC</b>								
MISSOURI RX PLAN FUND	0	0.00	0	0.00	5,000	0.00	5,000	0.00
TOTAL - PD	0	0.00	0	0.00	5,000	0.00	5,000	0.00
<b>TOTAL</b>	<b>6,213,956</b>	<b>0.00</b>	<b>6,828,822</b>	<b>0.00</b>	<b>10,989,716</b>	<b>0.00</b>	<b>10,989,716</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$6,213,956</b>	<b>0.00</b>	<b>\$6,828,822</b>	<b>0.00</b>	<b>\$10,989,716</b>	<b>0.00</b>	<b>\$10,989,716</b>	<b>0.00</b>



# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Pharmacy Program Management

Budget Unit Number: 90516C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE	2,301,123	3,602,788	5,080,805	10,984,716
PSD			5,000	5,000
<b>Total</b>	<b>2,301,123</b>	<b>3,602,788</b>	<b>5,085,805</b>	<b>10,989,716</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability (TPL) (0120)  
MO Rx Fund (0779)

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE	2,301,123	3,602,788	5,080,805	10,984,716
PSD			5,000	5,000
<b>Total</b>	<b>2,301,123</b>	<b>3,602,788</b>	<b>5,085,805</b>	<b>10,989,716</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability (TPL) (0120)  
MO Rx Fund (0779)

## 2. CORE DESCRIPTION

This core request is for the continued operation of the Missouri Medicaid Pharmacy Enhancement Program and the Missouri Rx program. The Division of Medical Services seeks to aid recipients and providers in their efforts to access the Medicaid program by utilizing contractor resources effectively.

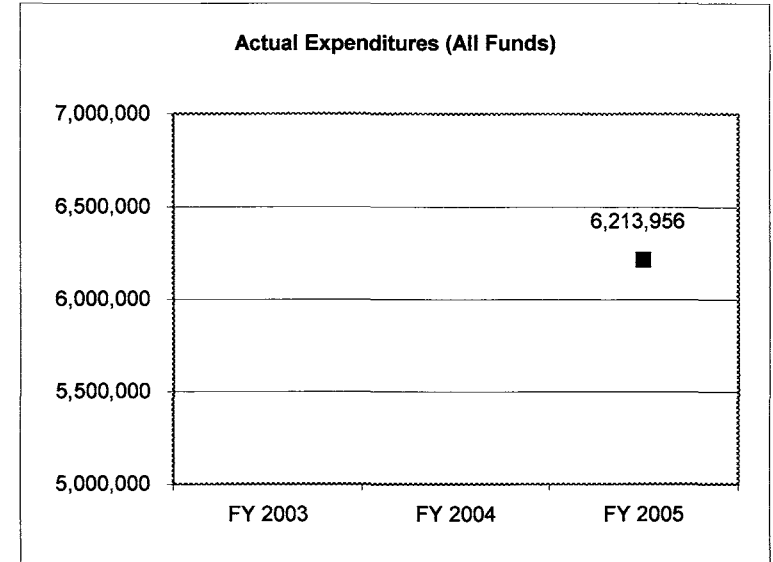
## 3. PROGRAM LISTING (list programs included in this core funding)

Missouri Medicaid Pharmacy Enhancement Program  
Missouri Rx Program

**CORE DECISION ITEM**

**4. FINANCIAL HISTORY**

	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Current Yr.</b>
Appropriation (All Funds)			6,828,822	6,828,822
Less Reverted (All Funds)			(119,034)	N/A
Budget Authority (All Funds)	0	0	6,709,788	N/A
Actual Expenditures (All Funds)			6,213,956	N/A
Unexpended (All Funds)	0	0	495,832	N/A
Unexpended, by Fund:				
General Revenue				N/A
Federal			133,442	N/A
Other			362,390	N/A
	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

**NOTES:**

(1) Pharmacy Program Management expenditures were part of Medicaid Administration expenditures in FY 2003 and FY 2004.

(2) Agency reserve of \$268,790 - \$50,000 in Federal and \$218,790 in TPL funds.

## CORE RECONCILIATION

### DEPARTMENT OF SOCIAL SERVICES

### PHARMACY PROGRAM MGMT

#### 5. CORE RECONCILIATION

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		EE	0.00	2,301,123	3,602,788	924,911	6,828,822	
		<b>Total</b>	<b>0.00</b>	<b>2,301,123</b>	<b>3,602,788</b>	<b>924,911</b>	<b>6,828,822</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Transfer In	[#1253]	EE	0.00	0	0	4,155,894	4,155,894	Transfer in Sr. Rx Program funding from the Department of Health and Senior Services to support the MO Rx Plan.
Transfer In	[#1253]	PD	0.00	0	0	5,000	5,000	Transfer in Sr. Rx Program funding from the Department of Health and Senior Services to support the MO Rx Plan.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>0</b>	<b>0</b>	<b>4,160,894</b>	<b>4,160,894</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PS	0.00	0	0	0	0	
		EE	0.00	2,301,123	3,602,788	5,080,805	10,984,716	
		PD	0.00	0	0	5,000	5,000	
		<b>Total</b>	<b>0.00</b>	<b>2,301,123</b>	<b>3,602,788</b>	<b>5,085,805</b>	<b>10,989,716</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PS	0.00	0	0	0	0	
		EE	0.00	2,301,123	3,602,788	5,080,805	10,984,716	
		PD	0.00	0	0	5,000	5,000	
		<b>Total</b>	<b>0.00</b>	<b>2,301,123</b>	<b>3,602,788</b>	<b>5,085,805</b>	<b>10,989,716</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY PROGRAM MGMT								
CORE								
PROFESSIONAL SERVICES	6,197,906	0.00	6,828,822	0.00	10,984,716	0.00	10,984,716	0.00
M&R SERVICES	16,050	0.00	0	0.00	0	0.00	0	0.00
TOTAL - EE	6,213,956	0.00	6,828,822	0.00	10,984,716	0.00	10,984,716	0.00
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	5,000	0.00	5,000	0.00
TOTAL - PD	0	0.00	0	0.00	5,000	0.00	5,000	0.00
GRAND TOTAL	\$6,213,956	0.00	\$6,828,822	0.00	\$10,989,716	0.00	\$10,989,716	0.00
GENERAL REVENUE	\$2,182,089	0.00	\$2,301,123	0.00	\$2,301,123	0.00	\$2,301,123	0.00
FEDERAL FUNDS	\$3,469,346	0.00	\$3,602,788	0.00	\$3,602,788	0.00	\$3,602,788	0.00
OTHER FUNDS	\$562,521	0.00	\$924,911	0.00	\$5,085,805	0.00	\$5,085,805	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Pharmacy Program Management**

**Program is found in the following core budget(s): Pharmacy Program Management**

### 1. What does this program do?

*PROGRAM SYNOPSIS: The funding in the Pharmacy Program Management section supports the Pharmacy Enhancement program contractor costs.*

With a pharmacy budget of over \$1.1 billion in FY06, it is necessary to have resources to manage the program. The administrative rate is less than 0.6% of the total Medicaid pharmacy budget. Through the Pharmacy Enhancement Program, the Division is able to maintain current cost containment initiatives and implement new cost containment initiatives. Major initiatives include:

- Help Desk Staffing
- Quarterly Updates to the Missouri Maximum Allowable Cost (MACs)
- Maintenance and Updates to Fiscal and Clinical Edits
- Prospective and Retrospective Drug Use Review (DUR)
- Routine/Adhoc Drug Information Research
- Enrollment and Administration of Disease Management
- Enrollment and Administration of Case Management
- Preferred Drug List (PDL) and Supplemental Rebates

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

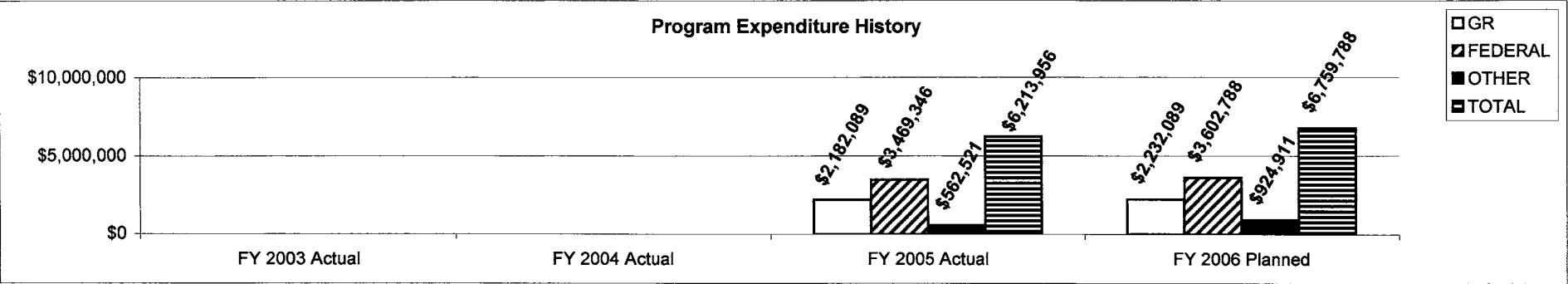
### 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

### 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

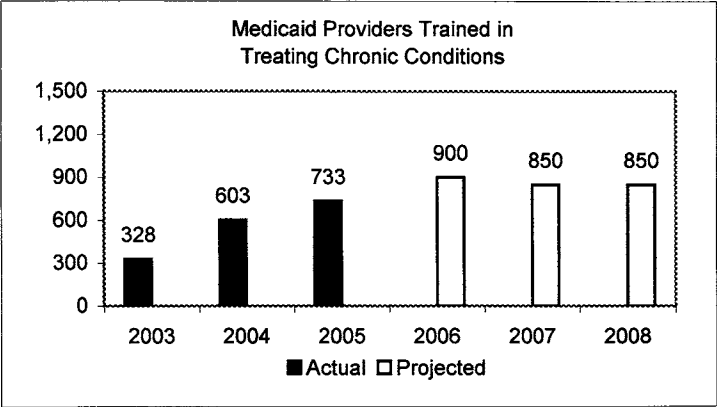
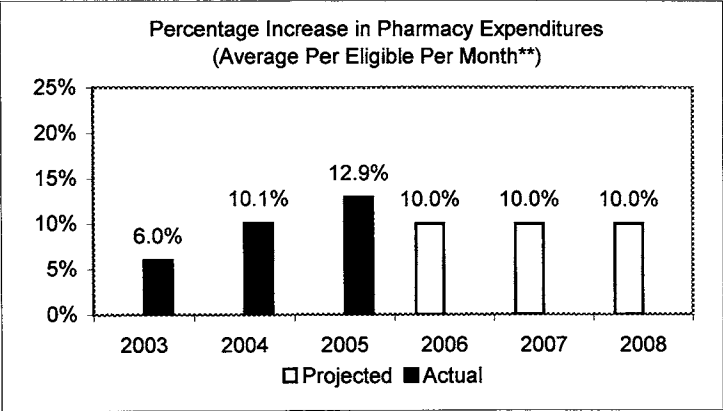
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



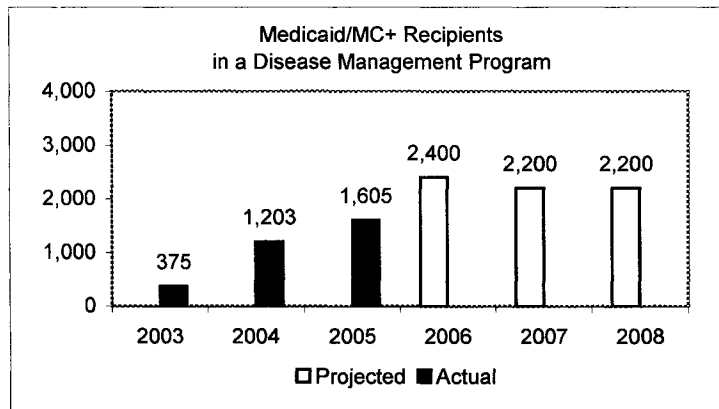
**6. What are the sources of the "Other" funds?**

Third Party Liability Collections Fund (0120)

**7a. Provide an effectiveness measure.**



\*\*Based on 2003, 3% below the national average would be 11.5%.  
10% is used as target because it is less than the national average less 3%.



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Number of Pharmacy Claims		
SFY	Actual	Projected
2003	15.4 mil	16.2 mil
2004	17.1 mil	16.5 mil
2005	19.1 mil	18.8 mil
2006		16.2 mil*
2007		10.4 mil
2008		11.4 mil

\*Reduction in FY06 due to the Medicare Modernization Act (MMA)

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>WOMEN &amp; MINORITY OUTREACH</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	648,534	0.00	546,125	0.00	546,125	0.00	546,125	0.00	
DEPT OF SOC SERV FEDERAL & OTH	687,181	0.00	568,625	0.00	568,625	0.00	568,625	0.00	
TOTAL - EE	1,335,715	0.00	1,114,750	0.00	1,114,750	0.00	1,114,750	0.00	
<b>TOTAL</b>	<b>1,335,715</b>	<b>0.00</b>	<b>1,114,750</b>	<b>0.00</b>	<b>1,114,750</b>	<b>0.00</b>	<b>1,114,750</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$1,335,715</b>	<b>0.00</b>	<b>\$1,114,750</b>	<b>0.00</b>	<b>\$1,114,750</b>	<b>0.00</b>	<b>\$1,114,750</b>	<b>0.00</b>	

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: Women & Minority Health Care Outreach

Budget Unit Number: 90513C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE	546,125	568,625		1,114,750
PSD				
Total	546,125	568,625		1,114,750
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE	546,125	568,625		1,114,750
PSD				
Total	546,125	568,625		1,114,750
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

## 2. CORE DESCRIPTION

This core request is for the continued funding of the Women and Minority health care outreach programs. The outreach programs provide client outreach and education about the Medicaid program and reduce disparities in healthcare access for women and minority populations.

## 3. PROGRAM LISTING (list programs included in this core funding)

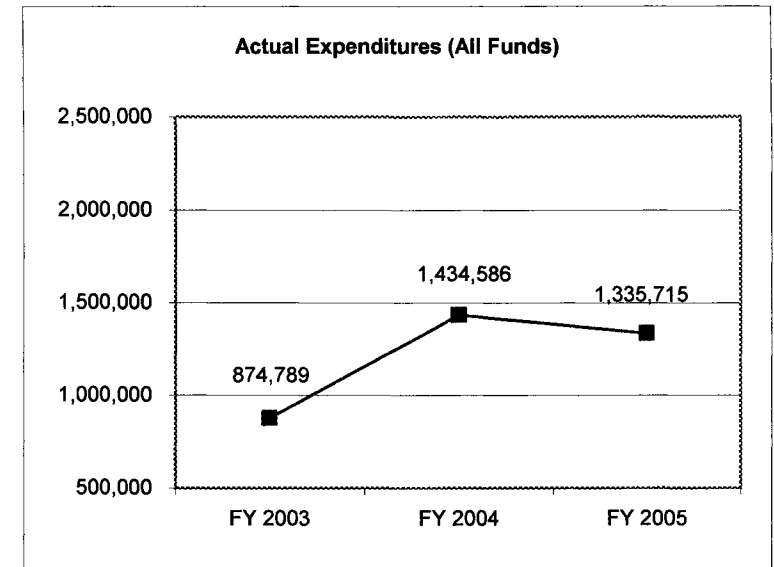
Women and Minority Health Care Outreach Program

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	1,500,000	1,500,000	1,477,500	1,114,750
Less Reverted (All Funds)	(272,500)	(22,500)	(21,825)	N/A
Budget Authority (All Funds)	1,227,500	1,477,500	1,455,675	N/A
Actual Expenditures (All Funds)	874,789	1,434,586	1,335,715	N/A
Unexpended (All Funds)	352,711	42,914	119,960	N/A
Unexpended, by Fund:				
General Revenue	48,580	21,728	57,141	N/A
Federal	304,131	21,186	62,819	N/A
Other				N/A

(1)



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Lapse of \$250,000 is agency reserve of Federal Funds not available due to reverted General Revenue funds.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****WOMEN & MINORITY OUTREACH**

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**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>	EE	0.00	546,125	568,625	0	1,114,750	
	<b>Total</b>	<b>0.00</b>	<b>546,125</b>	<b>568,625</b>	<b>0</b>	<b>1,114,750</b>	
<b>DEPARTMENT CORE REQUEST</b>	EE	0.00	546,125	568,625	0	1,114,750	
	<b>Total</b>	<b>0.00</b>	<b>546,125</b>	<b>568,625</b>	<b>0</b>	<b>1,114,750</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>	EE	0.00	546,125	568,625	0	1,114,750	
	<b>Total</b>	<b>0.00</b>	<b>546,125</b>	<b>568,625</b>	<b>0</b>	<b>1,114,750</b>	

# **FY07 Department of Social Services Report #10**

## **DECISION ITEM DETAIL**

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>WOMEN &amp; MINORITY OUTREACH</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	1,335,715	0.00	1,114,750	0.00	1,114,750	0.00	1,114,750	0.00
TOTAL - EE	1,335,715	0.00	1,114,750	0.00	1,114,750	0.00	1,114,750	0.00
<b>GRAND TOTAL</b>	<b>\$1,335,715</b>	<b>0.00</b>	<b>\$1,114,750</b>	<b>0.00</b>	<b>\$1,114,750</b>	<b>0.00</b>	<b>\$1,114,750</b>	<b>0.00</b>
GENERAL REVENUE	\$648,534	0.00	\$546,125	0.00	\$546,125	0.00	\$546,125	0.00
FEDERAL FUNDS	\$687,181	0.00	\$568,625	0.00	\$568,625	0.00	\$568,625	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Women and Minority Health Care Outreach**

**Program is found in the following core budget(s): Women and Minority Health Care Outreach**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides client outreach and education about the Medicaid program with a goal to reduce disparities in health care access for women and minority populations.*

The health of Missouri's citizens is critical to the well-being of the state. Without proper health care, Missouri citizens will be less productive and more costly to the state. The purpose of the Missouri Medicaid program is to finance, monitor and assure the health coverage of traditionally vulnerable populations. The funding in this appropriation provides outreach services in St. Louis, Columbia, Springfield, the Bootheel, and the Kansas City Region targeted at African American men and women at risk of diabetes, cardiovascular disease, HIV/AIDS, sexually transmitted diseases (STDs), and other life-threatening health conditions. The outreach programs also provide client outreach and education about the Medicaid program.

The Department of Social Services has contracted with the Missouri Primary Care Association to act as a fiscal intermediary for the distribution of the Minority and Women's Health Outreach funding, assuring accurate and timely payments to the subcontractors and to act as a central data collection point for evaluation of program impact and outcomes. The Missouri Primary Care Association is recognized as Missouri's single primary care association by the federal Health Resource Service Administration. The goals of the nation's Primary Care Associations are to partner in the development, maintenance and improvement of access to health care services, and to reduce disparities in health status between majority and minority populations.

This program was initiated in the fall of 1999 with five Federally-Qualified Health Centers (FQHCs) and has now expanded to seven FQHCs in St Louis and Kansas City regions and the Bootheel, plus a consultant subcontractor. The outreach program builds on the strengths of seven FQHCs that are trusted, accessible sources of care for high-risk African American populations, and the existence of natural leaders, often women, in African American neighborhoods to provide outreach and education in their neighborhoods to encourage routine screenings for diabetes and cardiovascular disease and testing for HIV/AIDS and STDs. In the Bootheel area, the outreach program builds on the strengths of a FQHC and county hospital, using the Care-A-Van to reach at-risk persons in the largely rural area. Existing health promotion coalitions in the area, including the Bootheel's Heart Health Coalitions and the Missouri Health Alliance will also be used in outreach efforts. As part of the outreach program, workers identify eligible recipients and help them enroll in the Medicaid program.

The current contractor is Missouri Primary Care Association. The contractor is paid for allowable costs related to establishing and implementing outreach programs not to exceed the appropriation cap.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.201; Federal law: Social Security Act Section 1903(a); Federal Regulations: 42 CFR, Part 433.15

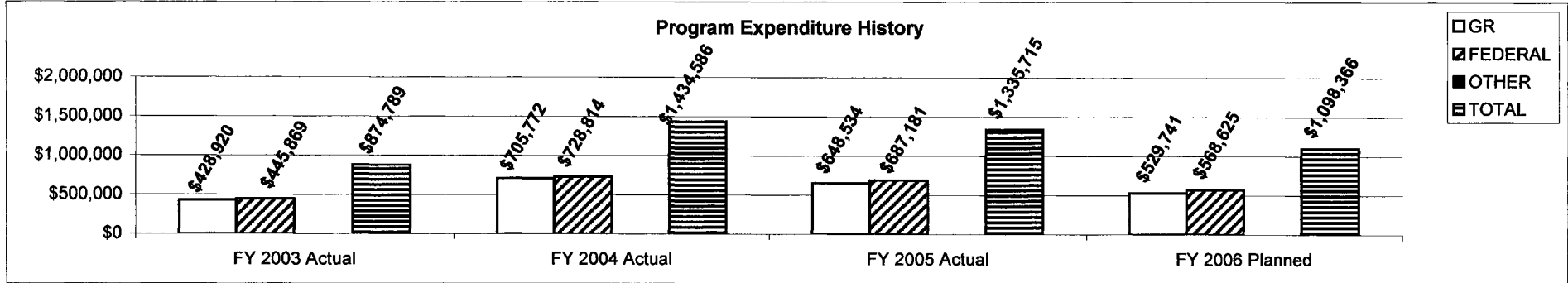
**3. Are there federal matching requirements? If yes, please explain.**

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

**4. Is this a federally mandated program? If yes, please explain.**

No.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**

**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Prenatal Care Users Who Delivered During the Year		
SFY	Actual	Projected
2003	2,286	N/A
2004	2,332	2,469
2005	2,867	2,667
2006		3,182
2007		3,596
2008		4,064

Number of Normal Births		
SFY	Actual	Projected
2003	2,012	N/A
2004	2,100	2,133
2005	2,809	2,261
2006		3,118
2007		3,523
2008		3,981

Eligibles:

Services are directed toward low-income women and minorities who are uninsured or eligible for Medicaid.

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

### Budget Unit

Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MEDICAID REVENUE MAX UNIT</b>								
<b>CORE</b>								
PERSONAL SERVICES								
DEPT OF SOC SERV FEDERAL & OTH	62,125	1.52	83,400	2.00	83,400	2.00	83,400	2.00
FEDERAL REIMBURSEMENT ALLOWANCE	62,125	1.52	83,400	2.00	83,400	2.00	83,400	2.00
TOTAL - PS	124,250	3.04	166,800	4.00	166,800	4.00	166,800	4.00
EXPENSE & EQUIPMENT								
DEPT OF SOC SERV FEDERAL & OTH	1,741	0.00	8,114	0.00	8,114	0.00	8,114	0.00
FEDERAL REIMBURSEMENT ALLOWANCE	0	0.00	8,114	0.00	8,114	0.00	8,114	0.00
TOTAL - EE	1,741	0.00	16,228	0.00	16,228	0.00	16,228	0.00
<b>TOTAL</b>	<b>125,991</b>	<b>3.04</b>	<b>183,028</b>	<b>4.00</b>	<b>183,028</b>	<b>4.00</b>	<b>183,028</b>	<b>4.00</b>
<b>GENERAL STRUCTURE ADJUSTMENT - 0000012</b>								
PERSONAL SERVICES								
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	3,336	0.00
FEDERAL REIMBURSEMENT ALLOWANCE	0	0.00	0	0.00	0	0.00	3,336	0.00
TOTAL - PS	0	0.00	0	0.00	0	0.00	6,672	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>6,672</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$125,991</b>	<b>3.04</b>	<b>\$183,028</b>	<b>4.00</b>	<b>\$183,028</b>	<b>4.00</b>	<b>\$189,700</b>	<b>4.00</b>

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**CORE DECISION ITEM**

**Department: Social Services**  
**Division: Medical Services**  
**Appropriation: Medicaid Revenue Maximization Unit**

**Budget Unit Number: 90514C**

**1. CORE FINANCIAL SUMMARY**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS		83,400	83,400	166,800
EE		8,114	8,114	16,228
PSD				
<b>Total</b>		<b>91,514</b>	<b>91,514</b>	<b>183,028</b>
 FTE		 2.00	 2.00	 4.00

<b>Est. Fringe</b>	0	40,774	40,774	81,549
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS		83,400	83,400	166,800
EE		8,114	8,114	16,228
PSD				
<b>Total</b>		<b>91,514</b>	<b>91,514</b>	<b>183,028</b>
 FTE		 2.00	 2.00	 4.00

<b>Est. Fringe</b>	0	40,774	40,774	81,549
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Federal Reimbursement Allowance Fund (FRA) (0142)

Other Funds: Federal Reimbursement Allowance Fund (FRA) (0142)

**2. CORE DESCRIPTION**

This core request is for the continued operation of the revenue maximization unit made up of four staff.

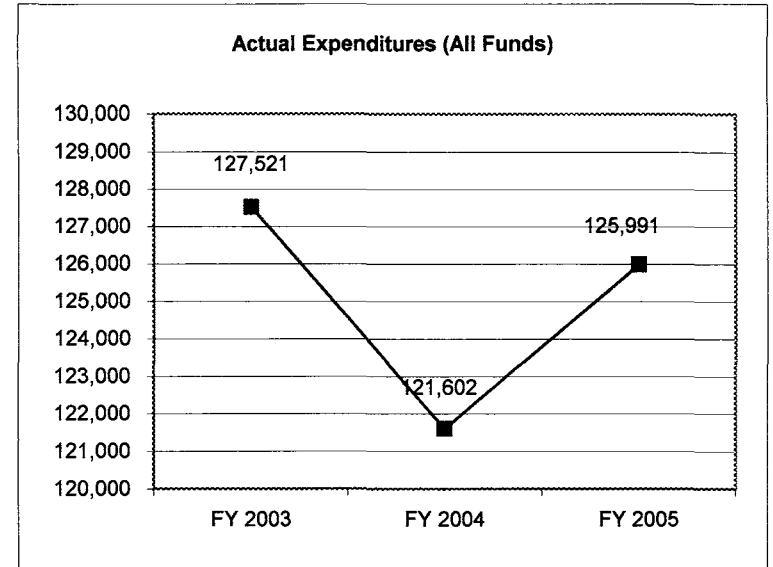
**3. PROGRAM LISTING (list programs included in this core funding)**

Medicaid Revenue Maximization

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	178,572	178,572	183,372	183,028
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	178,572	178,572	183,372	N/A
Actual Expenditures (All Funds)	127,521	121,602	125,991	N/A
Unexpended (All Funds)	51,051	56,970	57,381	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	25,018	27,209	27,820	N/A
Other	26,033	29,761	29,561	N/A
	(1)	(2)		



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Delay in hiring staff (part of the division's internal spending plan).

(2) Agency reserve of \$40,950 in federal/other: \$20,475 federal and \$20,475 FRA.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****MEDICAID REVENUE MAX UNIT**

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**5. CORE RECONCILIATION**

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	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<hr/>							
<b>TAFP AFTER VETOES</b>							
	PS	4.00	0	83,400	83,400	166,800	
	EE	0.00	0	8,114	8,114	16,228	
	<b>Total</b>	<b>4.00</b>	<b>0</b>	<b>91,514</b>	<b>91,514</b>	<b>183,028</b>	
<hr/>							
<b>DEPARTMENT CORE REQUEST</b>							
	PS	4.00	0	83,400	83,400	166,800	
	EE	0.00	0	8,114	8,114	16,228	
	<b>Total</b>	<b>4.00</b>	<b>0</b>	<b>91,514</b>	<b>91,514</b>	<b>183,028</b>	
<hr/>							
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PS	4.00	0	83,400	83,400	166,800	
	EE	0.00	0	8,114	8,114	16,228	
	<b>Total</b>	<b>4.00</b>	<b>0</b>	<b>91,514</b>	<b>91,514</b>	<b>183,028</b>	
<hr/>							

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MEDICAID REVENUE MAX UNIT</b>								
<b>CORE</b>								
OFFICE SUPPORT ASST (CLERICAL)	0	0.00	23,200	1.00	23,200	1.00	23,200	1.00
AUDITOR III	49,222	1.00	61,200	1.00	61,200	1.00	61,200	1.00
ACCOUNTANT II	73,328	2.00	82,400	2.00	82,400	2.00	82,400	2.00
DESIGNATED PRINCIPAL ASST DIV	1,700	0.04	0	0.00	0	0.00	0	0.00
<b>TOTAL - PS</b>	<b>124,250</b>	<b>3.04</b>	<b>166,800</b>	<b>4.00</b>	<b>166,800</b>	<b>4.00</b>	<b>166,800</b>	<b>4.00</b>
TRAVEL, IN-STATE	0	0.00	1,182	0.00	1,182	0.00	1,182	0.00
SUPPLIES	0	0.00	6,000	0.00	6,000	0.00	6,000	0.00
COMMUNICATION SERV & SUPP	0	0.00	2,172	0.00	2,172	0.00	2,172	0.00
M&R SERVICES	1,741	0.00	4,818	0.00	4,818	0.00	4,818	0.00
OFFICE EQUIPMENT	0	0.00	2,056	0.00	2,056	0.00	2,056	0.00
<b>TOTAL - EE</b>	<b>1,741</b>	<b>0.00</b>	<b>16,228</b>	<b>0.00</b>	<b>16,228</b>	<b>0.00</b>	<b>16,228</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$125,991</b>	<b>3.04</b>	<b>\$183,028</b>	<b>4.00</b>	<b>\$183,028</b>	<b>4.00</b>	<b>\$183,028</b>	<b>4.00</b>
<b>GENERAL REVENUE</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
<b>FEDERAL FUNDS</b>	<b>\$63,866</b>	<b>1.52</b>	<b>\$91,514</b>	<b>2.00</b>	<b>\$91,514</b>	<b>2.00</b>	<b>\$91,514</b>	<b>2.00</b>
<b>OTHER FUNDS</b>	<b>\$62,125</b>	<b>1.52</b>	<b>\$91,514</b>	<b>2.00</b>	<b>\$91,514</b>	<b>2.00</b>	<b>\$91,514</b>	<b>2.00</b>

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Revenue Maximization Unit

Program is found in the following core budget(s): Revenue Maximization Unit

### 1. What does this program do?

*PROGRAM SYNOPSIS: These staff identify ways to earn additional federal funds and research ways to avoid costs.*

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.201, Federal law: Social Security Act Section 1902(a)(4), Federal regulations: 42 CFR Part 432.

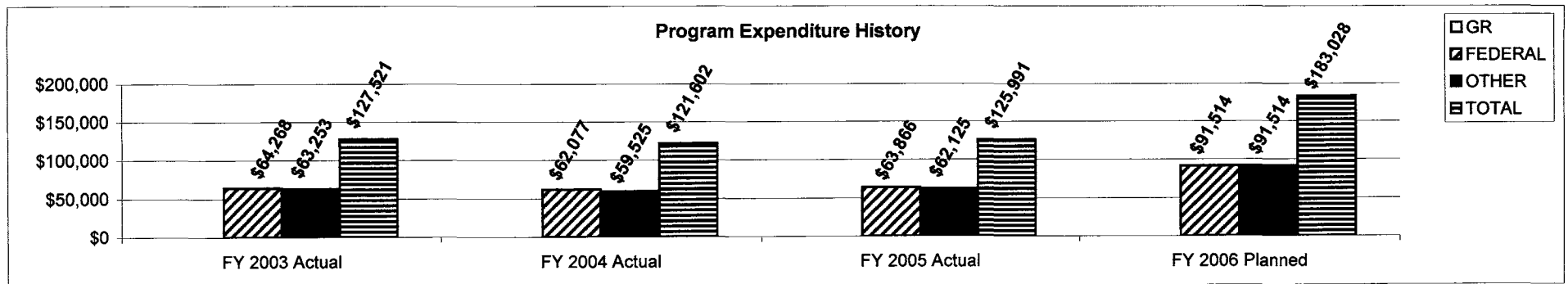
### 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

### 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



### 6. What are the sources of the "Other" funds?

Federal Reimbursement Allowance Fund (0142)

**7a. Provide an effectiveness measure.**

FRA as a Funding Source in the Various Appropriations	
Managed Care	\$109,064,837
Hospital	\$149,992,328
HCA-1115 Waiver Adults	\$167,756
CHIP	\$7,719,204
Revenue Max Admin	\$91,514

**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
TPL CONTRACTS								
CORE								
EXPENSE & EQUIPMENT								
DEPT OF SOC SERV FEDERAL & OTH	929,877	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00
THIRD PARTY LIABILITY COLLECT	929,271	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00
TOTAL - EE	1,859,148	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00
TOTAL	1,859,148	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00
GRAND TOTAL	\$1,859,148	0.00	\$6,000,000	0.00	\$6,000,000	0.00	\$6,000,000	0.00

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Third Party Liability (TPL) Contracts

Budget Unit Number: 90515C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE		3,000,000	3,000,000	6,000,000	EE		3,000,000	3,000,000	6,000,000
PSD					PSD				
Total		3,000,000	3,000,000	6,000,000	Total		3,000,000	3,000,000	6,000,000
FTE				0.00	FTE				0.00
<b>Est. Fringe</b>	0	0	0	0	<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.					Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Third Party Liability Collections Fund (0120)

Notes: An "E" is requested for \$3,000,000 Other Funds and \$3,000,000 Federal Funds

Other Funds: Third Party Liability Collections Fund (0120)

Notes: An "E" is requested for \$3,000,000 Other Funds and \$3,000,000 Federal Funds

## 2. CORE DESCRIPTION

This core request is for the continued funding of contracted third party liability (TPL) recovery activities. TPL functions are performed by agency staff in the TPL Unit and by a contractor. This core appropriation is Expense and Equipment funding and is the source of payments to the contractor who works with the agency on TPL recovery activities.

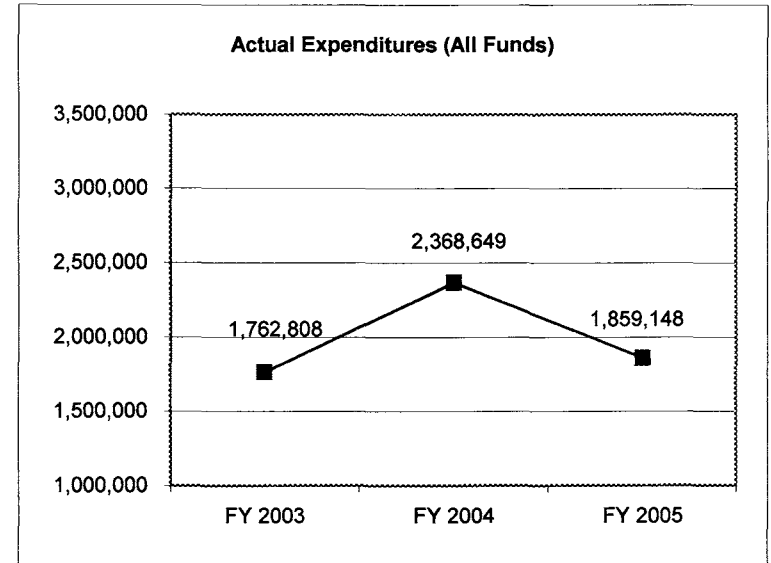
## 3. PROGRAM LISTING (list programs included in this core funding)

Third Party Liability Contracts

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	1,800,000	2,372,000	6,000,000	6,000,000 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	1,800,000	2,372,000	6,000,000	N/A
Actual Expenditures (All Funds)	1,762,808	2,368,649	1,859,148	N/A
Unexpended (All Funds)	37,192	3,351	4,140,852	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	18,596	1,583	2,070,123	N/A
Other	18,596	1,770	2,070,729	N/A
	(1)	(1)	(2)	(1)



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Estimated "E" appropriations for FY 2003, FY2004 and FY2006. FY 2005 is NOT an estimated appropriation.

(2) Contractor recoveries were lower than expected.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****TPL CONTRACTS**

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**5. CORE RECONCILIATION**

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	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<hr/>							
TAFP AFTER VETOES	EE	0.00	0	3,000,000	3,000,000	6,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>	
	<hr/>						
DEPARTMENT CORE REQUEST	EE	0.00	0	3,000,000	3,000,000	6,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>	
	<hr/>						
GOVERNOR'S RECOMMENDED CORE	EE	0.00	0	3,000,000	3,000,000	6,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>	
	<hr/>						

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
TPL CONTRACTS								
CORE								
PROFESSIONAL SERVICES	1,859,148	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00
TOTAL - EE	1,859,148	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00
GRAND TOTAL	\$1,859,148	0.00	\$6,000,000	0.00	\$6,000,000	0.00	\$6,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$929,877	0.00	\$3,000,000	0.00	\$3,000,000	0.00	\$3,000,000	0.00
OTHER FUNDS	\$929,271	0.00	\$3,000,000	0.00	\$3,000,000	0.00	\$3,000,000	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Third Party Liability (TPL) Contracts**

**Program is found in the following core budget(s): Third Party Liability (TPL) Contracts**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payments for contracted TPL recovery activities. By identifying other insurance carriers, Medicaid is able to cost avoid or recover costs already incurred.*

The Third Party Liability (TPL) program is responsible for cost recovery and cost avoidance of Medicaid expenditures. The Medicaid program seeks recovery from third party sources when liability at the time of service had not yet been determined, when the third party source was not known at the time of Medicaid payment, and for services that are federally mandated to be paid and then pursued. TPL functions are performed by agency staff in the TPL Unit and by a contractor. The TPL Contracts appropriation allows for payments to the contractor who works with the agency on TPL recovery activities. The contractor is paid for its services through a portion of cash recoveries. The third-party recovery program accounted for more than \$123.4 million in savings for the state Medicaid program in FY 05 by cost-avoiding claims and TPL recoveries. Managed Health Care Plans in the MC+ Managed Care program are responsible for the collection of TPL from commercial health insurance for Medicaid recipients in their plan.

The contractor has historically been successful in areas of recovery that the state is unable to pursue due to staff and computer system limitations. These recovery areas include Medicare Crossover Repricing, Medicare Maximization, Provider Credit Balance Audits, Family Planning FFP, and Health Insurance Recovery. Once the retroactive cash recovery benefit is exhausted, these recovery areas are converted to cost avoidance mechanisms and transferred to the state MMIS claims processing system. The advantage of the contractor is their use of automation to increase TPL recoveries. Information stored in the data base tables includes recipient eligibility, insurance carrier, billing addresses, insurance coverage, and other reference information that is necessary for automated billing. The TPL Unit and the contractor will share responsibility for maintaining and updating the data tables, as well as conducting the manual operations that continue to be a part of the recovery program.

Even though some responsibilities are shared, the TPL Unit and the contractor each perform specific cost saving and recovery activities. The TPL Unit concentrates on asserting liens on settlements of trauma-related incidents (which include personal injury, product liability, wrongful death, malpractice, workers' compensation, and traffic accidents). The TPL Unit also files claims for recovery of Medicaid expenditures in estate cases, on the personal funds accounts of deceased nursing home residents, and on any excess funds from irrevocable burial plans. For cost avoidance, the TPL Unit operates the Health Insurance Premium Payment (HIPP) Program and maintains the TPL data base where recipient insurance information is stored. The contractor focuses on bulk billings to insurance carriers and other third parties and data matches to identify potential third parties. The following table itemizes the activities performed by the contractor as compared to those performed by the TPL Unit staff, and is followed by descriptions of the primary TPL programs.

#### TASKS PERFORMED BY STATE TPL STAFF

- ✓ Liens, updates and follow-up on Trauma cases
- ✓ Identify and follow-up on all Estate cases
- ✓ Identify, file and follow-up on TEFRA liens
- ✓ Identify and follow-up on Personal Funds cases
- ✓ Recover any excess funds from irrevocable burial plans
- ✓ Operate HIPP program

- ✓ Post recoveries to Accounts Receivable systems
- ✓ Maintain state TPL databases
- ✓ Verification of leads through MMIS contract
- ✓ Contract Oversight

#### TASKS PERFORMED BY THE CONTRACTOR

- ✓ Health insurance billing and follow-up
- ✓ Data matches and associated billing (CHAMPUS, MCHCP, other insurance carriers)
- ✓ Provide TPL information for state files
- ✓ Post Accounts Receivable data to state A/R system
- ✓ Maintain insurance billing files

The current contractor is Health Management Systems. The contractor is paid for its services on a contingency basis through a portion of cash recoveries. The contractor is working on several special one-time projects for recoveries approved by the division.

**HIPP Program** - The objective of the Health Insurance Premium Payment Program (HIPP) is to identify and maintain insurance policies for Medicaid recipients to maximize Medicaid monies by shifting medical costs to private insurers and exhausting all third party resources before utilizing Medicaid. On average, each insurance policy paid by the HIPP program saves \$511 annually.

**Trauma Settlement Recovery** - The objective is to identify potentially liable third parties and to assert liens on litigation settlements to insure maximum recovery of Medicaid expenditures. Each identification is researched to determine if pursuit is cost effective or even possible.

**Personal Funds Recovery** - The objective of this program is to identify Personal Funds Account Balances in nursing facilities where the Medicaid recipient had died and to assert a lien on those funds to recover Medicaid expenditures made on behalf of those recipients. A cooperative effort is made with the Division of Aging to obtain reports of deceased residents in nursing facilities.

**Burial Plans Recovery** - The objective of this program is to recover Medicaid expenditures from any excess funds from irrevocable burial plans. Burial lots and irrevocable burial contracts are exempt from consideration in determining Medicaid eligibility (Section 208.010, RSMo). The law also provides that if there are excess funds from irrevocable burial plans, the state should recover the excess up to the amount of public assistance benefits provided to the recipient.

**Estate Recovery** - In this program, expenditures are recovered through identification and filing of claims on estates of deceased Medicaid recipients. Data matches are coordinated with the Department of Health's Vital Statistics, Division of Family Services' county offices' staff and cooperation of other public and private groups. Once cases are established, staff verifies expenditure documentation and assemble data for evidence. The TPL staff appear in court to testify on behalf of the state and explain Medicaid policies and procedures.

**TEFRA Liens** - The Tax Equity and Fiscal Responsibility Act of 1982 authorizes the Medicaid program to file a lien as a claim against the real property of certain Medicaid recipients. The TEFRA lien will be for the debt due the state for medical assistance paid or to be paid on behalf of a Medicaid recipient.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State: RSMo. 208.153, 208.215; Federal law: Social Security Act, Section 1902, 1903, 1906, 1912, 1917; Federal regulation: 42 CFR 433 Subpart D

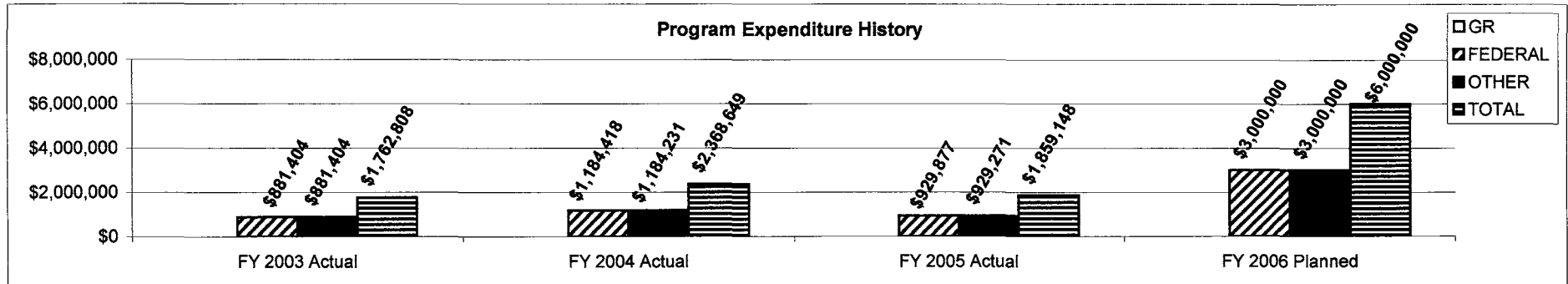
**3. Are there federal matching requirements? If yes, please explain.**

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

**4. Is this a federally mandated program? If yes, please explain.**

Yes, if cost effective. In order to not pursue a TPL claim, the agency must obtain a waiver from CMS by proving that a cost recovery effort is not cost effective.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Third Party Liability Collections Fund (0120)

**7a. Provide an effectiveness measure.**

Third Party Liability Recoveries as a Percentage of Total Fee for Service Expenditures		
SFY	Actual	Projected
2003	2.9%	
2004	2.9%	
2005	2.7%	3.0%
2006		3.0%
2007		3.0%
2008		3.0%

**7b. Provide an efficiency measure.**

Cash Recoveries by Contractor		
SFY	Actual	Projected
2003	\$11.7 mil	N/A
2004	\$17.3 mil	\$11.0 mil
2005	\$13.7 mil	\$46.0 mil
2006		\$25.0 mil
2007		\$25.0 mil
2008		\$25.0 mil

Cash Recoveries by DMS Staff		
SFY	Actual	Projected
2003	\$16.6 mil	N/A
2004	\$19.2 mil	\$12.5 mil
2005	\$24.6 mil	\$21 mil
2006		\$23.60
2007		\$23.60
2008		\$23.60

TPL Cost Avoidance		
SFY	Actual	Projected
2003	\$86.1 mil	N/A
2004	\$81.7 mil	\$86.1 mil
2005	\$85.1 mil	\$82 mil
2006		\$82 mil
2007		\$82 mil
2008		\$82 mil

**7c. Provide the number of clients/individuals served, if applicable.****7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>INFORMATION SYSTEMS</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	5,883,129	0.00	5,536,731	0.00	5,522,417	0.00	5,522,417	0.00	
DEPT OF SOC SERV FEDERAL & OTH	17,567,731	0.00	18,317,731	0.00	18,276,039	0.00	18,276,039	0.00	
TOTAL - EE	23,450,860	0.00	23,854,462	0.00	23,798,456	0.00	23,798,456	0.00	
<b>TOTAL</b>	<b>23,450,860</b>	<b>0.00</b>	<b>23,854,462</b>	<b>0.00</b>	<b>23,798,456</b>	<b>0.00</b>	<b>23,798,456</b>	<b>0.00</b>	
<b>Information Systems Consultant - 1886017</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	0	0.00	0	0.00	175,000	0.00	175,000	0.00	
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	1,575,000	0.00	1,575,000	0.00	
TOTAL - EE	0	0.00	0	0.00	1,750,000	0.00	1,750,000	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,750,000</b>	<b>0.00</b>	<b>1,750,000</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$23,450,860</b>	<b>0.00</b>	<b>\$23,854,462</b>	<b>0.00</b>	<b>\$25,548,456</b>	<b>0.00</b>	<b>\$25,548,456</b>	<b>0.00</b>	

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Information Systems

Budget Unit Number: 90522C

## 1. CORE FINANCIAL SUMMARY

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE	5,522,417	18,276,039		23,798,456
PSD				
Total	5,522,417	18,276,039		23,798,456
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE	5,522,417	18,276,039		23,798,456
PSD				
Total	5,522,417	18,276,039		23,798,456
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

## 2. CORE DESCRIPTION

This core request is for the continued funding of Information Systems (IS), which is a component of the Division's total administrative costs. Information Systems is comprised of two program areas, MMIS (Medicaid Management Information System) and the Medicaid Fraud and Abuse Detection system (FADS).

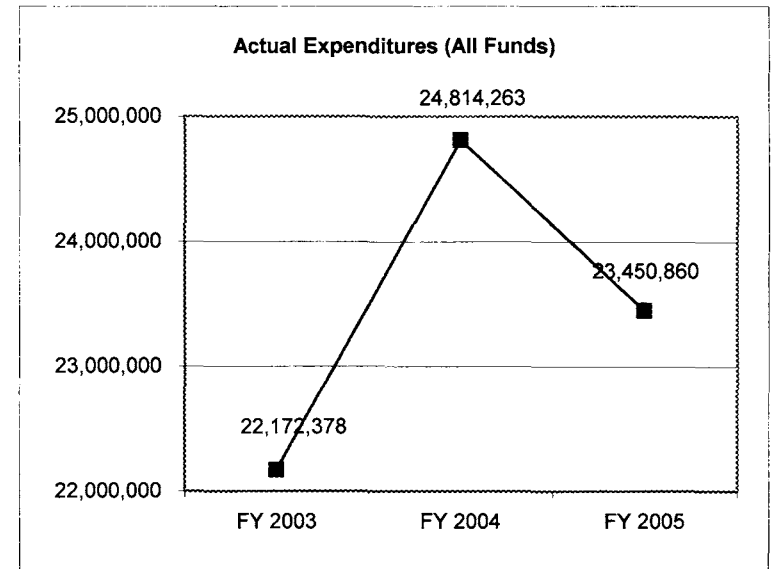
## 3. PROGRAM LISTING (list programs included in this core funding)

Information Systems

## CORE DECISION ITEM

### 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	22,356,587	25,037,732	23,632,812	23,854,462
Less Reverted (All Funds)	(184,209)	(196,920)	(181,952)	N/A
Budget Authority (All Funds)	22,172,378	24,840,812	23,450,860	N/A
Actual Expenditures (All Funds)	22,172,378	24,814,263	23,450,860	N/A
Unexpended (All Funds)	0	26,549	0	N/A
Unexpended, by Fund:				
General Revenue	0	26,549	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

#### NOTES:

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES**  
**INFORMATION SYSTEMS**

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**5. CORE RECONCILIATION**

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		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>		EE	0.00	5,536,731	18,317,731	0	23,854,462	
		<b>Total</b>	<b>0.00</b>	<b>5,536,731</b>	<b>18,317,731</b>	<b>0</b>	<b>23,854,462</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reallocation	[#1420]	EE	0.00	(14,314)	(41,692)	0	(56,006)	Transfer funding for IT related expenditures to IT Consolidation.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(14,314)</b>	<b>(41,692)</b>	<b>0</b>	<b>(56,006)</b>	
<b>DEPARTMENT CORE REQUEST</b>		EE	0.00	5,522,417	18,276,039	0	23,798,456	
		<b>Total</b>	<b>0.00</b>	<b>5,522,417</b>	<b>18,276,039</b>	<b>0</b>	<b>23,798,456</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>		EE	0.00	5,522,417	18,276,039	0	23,798,456	
		<b>Total</b>	<b>0.00</b>	<b>5,522,417</b>	<b>18,276,039</b>	<b>0</b>	<b>23,798,456</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>INFORMATION SYSTEMS</b>								
<b>CORE</b>								
COMMUNICATION SERV & SUPP	10,202	0.00	600	0.00	898	0.00	898	0.00
PROFESSIONAL SERVICES	23,395,271	0.00	23,853,862	0.00	23,796,252	0.00	23,796,252	0.00
M&R SERVICES	45,387	0.00	0	0.00	1,306	0.00	1,306	0.00
<b>TOTAL - EE</b>	<b>23,450,860</b>	<b>0.00</b>	<b>23,854,462</b>	<b>0.00</b>	<b>23,798,456</b>	<b>0.00</b>	<b>23,798,456</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$23,450,860</b>	<b>0.00</b>	<b>\$23,854,462</b>	<b>0.00</b>	<b>\$23,798,456</b>	<b>0.00</b>	<b>\$23,798,456</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>	<b>\$5,883,129</b>	<b>0.00</b>	<b>\$5,536,731</b>	<b>0.00</b>	<b>\$5,522,417</b>	<b>0.00</b>	<b>\$5,522,417</b>	<b>0.00</b>
<b>FEDERAL FUNDS</b>	<b>\$17,567,731</b>	<b>0.00</b>	<b>\$18,317,731</b>	<b>0.00</b>	<b>\$18,276,039</b>	<b>0.00</b>	<b>\$18,276,039</b>	<b>0.00</b>
<b>OTHER FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Information Systems**

**Program is found in the following core budget(s): Information Systems**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Processes fee for service claims and managed care encounter data through a contractor for the Medicaid Management Information Systems (MMIS). It also provides for operation of the Medicaid Fraud and Abuse Detection System.*

The Information Systems (IS) program area includes the MMIS contract and the Medicaid Fraud and Abuse Detection System (FADS). The primary function of Information Systems is to provide the tools and data needed to support administrative and financial decisions and to process fee-for-service claims and MC+ managed care encounter data. IS focuses on the gathering, maintenance, analysis, and output of information and data related to claims and a multitude of claims-related interfaces. It is additionally responsible for providing the software and hardware support needed to measure, analyze, assess and manipulate this information in the process of decision making and formulating and testing new systems.

The State contracts with a private entity to operate the subsystems of the Medicaid Management Information System. The subsystems include Claims Processing, Management and Analysis Reporting, Surveillance and Utilization, Reference, Provider, Recipient, Third Party Liability and Financial. In order to maintain quality management of Medicaid claims, the Division of Medical Services requires the fiscal agent to:

- ♦ Maintain and enhance a highly automated Medicaid claims processing and information retrieval system.
- ♦ Process Medicaid claims involving over 39,000 providers of 72 different types, such as hospitals, physicians, dentists, ambulance service providers, nursing homes, therapists, hospices, and managed care health plans.
- ♦ Perform manual tasks associated with processing Medicaid claims, and to retrieve and produce utilization and management information that is required by the Division and/or various agencies within the federal government. For example, quarterly utilization reports are generated for the Program Integrity to allow staff to detect and investigate over-utilization patterns and abuse. Third Party Liability (TPL) reports are produced that allow tracking of cost avoidance on claims and provide the capability to perform cost recovery functions.
- ♦ Provide capabilities and/or communications with the Department and the Division via on-line data links to facilitate transfers of data and monitoring of contract issues using menu driven reports and communications via electronic mail.
- ♦ Provide technical support to MC+ managed care health plans in the maintenance of data lines and the transfer of daily enrollment files and encounter data.

The MMIS is run on a mainframe computer system. There are approximately 25 programmers employed by the fiscal agent to maintain and enhance this system. The Interactive Voice Response (IVR) has the availability of approximately 70 incoming lines. The IVR hardware and software allows immediate access to eligibility, payment and claim status information. The Imaging System and REI data entry equipment allow claims storage and direct on-line claims processing and resolution.

The state began contracting MMIS with a contractor in 1979. The current MMIS contract was rebid in FY2001. It is a seven year contract, renewable for two one-year extensions. The contract for the fiscal agent specifies that reimbursement consists of a fixed payment per month. This payment method gives the contractor an incentive to adjudicate claims correctly when initially submitted so that the cost of reprocessing claims with correctable errors is avoided.

## Claims Processing

Claims processing changes with the two programs, the fee-for-service program versus the managed care program. Under the fee-for-service program, claims are processed for payment to the provider. Services under managed care which are covered by the capitation payment would not generate a claim. Whoever provides the service is reimbursed by a health plan in some way. The service still results in involvement by IS through the processing of encounter claims. An encounter claim is the same as a regular claim in terms of the information processed, such as patient identification, diagnosis and the service(s) provided; it is just not subject to payment. The Division of Medical Services needs the encounter claim to know what services are being provided to managed care clients, so encounter claims are transmitted by health plans to the fiscal agent where they are processed and the data is stored.

**Managed Care Impact:** The primary issue reflecting the increased demand on Information Systems with the advent of the MC+ managed care program is interfacing with numerous different data processing systems. The MMIS system must now "talk" to the system run by the enrollment contractor and each of the seven individual health plans that contract with the state for Medicaid managed care. Success of the MC+ managed care program is data-driven. The agency needs encounter data from the plans in order to see what services are being provided to agency clients, otherwise on-site audits of thousands of providers would be required. The biggest demand is staff time to work with individual health plans when they have system problems involving the processing of MC+ managed care information. The MMIS went through a third-phase enhancement process for Medicaid managed care, so the agency feels it has a good system for handling enrollment, encounter claims, and other processing requirements of managed care.

Average claims processing time continues to decrease due to electronic claims processing increases and also due to system improvements. In FY95, the average processing time was 3.03 days. In FY96, it improved to 2.15 days and remained about the same in FY97 at 2.22 days. The average processing time for adjudicating claims in FY98 was 2.08 days, in FY99 was 1.81 days, in FY00 was 2.07 days, in FY01 was 1.24 days, in FY02 was 1.77 days, in FY03 was 1.53 days, in FY04 was 1.58 days, and in FY05 was 1.24 days.

## Fraud and Abuse Detection System

The implementation of a Medicaid Fraud and Abuse Detection System (FADS) occurred in October 2004. The system is designed to maximize the return on investment in fraud and abuse programs. This system will assist staff in monitoring utilization and program compliance by providers and recipients within the Medicaid program on a post-payment basis to enforce Federal and State Medicaid policy and program restrictions.

### **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4) and 1903(a)(3); Federal Regulation 42 CFR Part 433 Subpart C

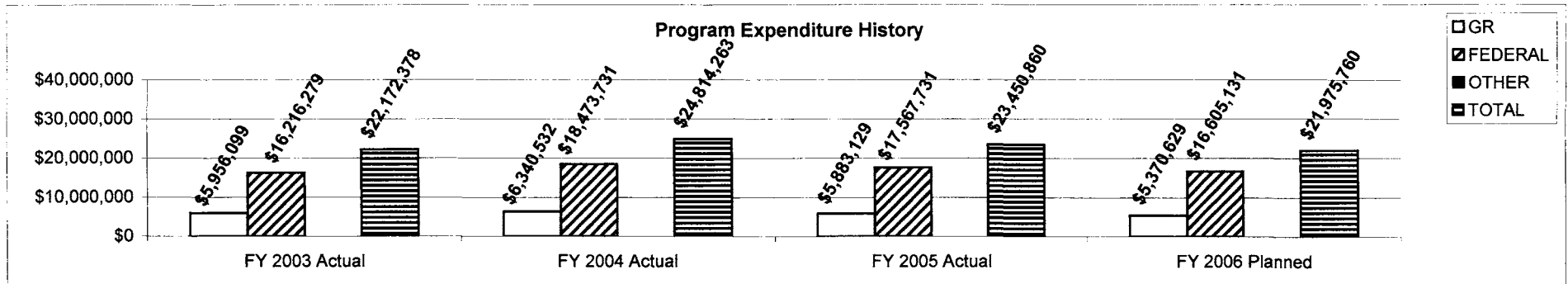
### **3. Are there federal matching requirements? If yes, please explain.**

Expenditures for MMIS operations have three different federal financial participation (FFP) rates. The majority of MMIS expenditures earn 75% FFP and require 25% state share. Approved system enhancements earn 90% FFP and require 10% state share. Postage earns 50% FFP and requires 50% state share.

### **4. Is this a federally mandated program? If yes, please explain.**

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

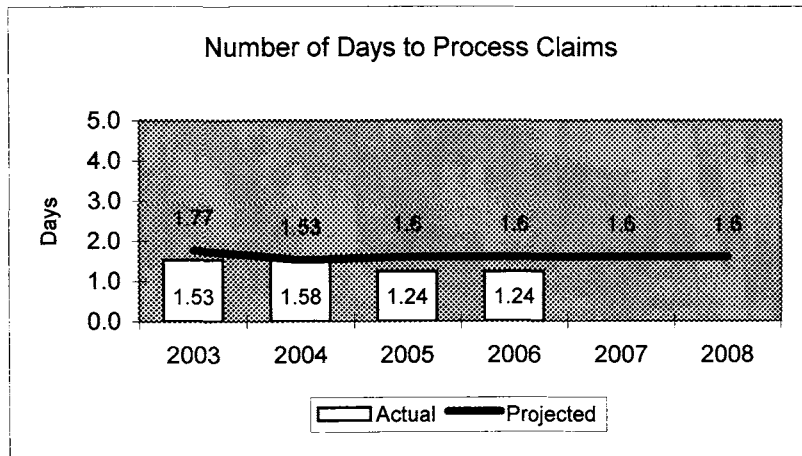
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



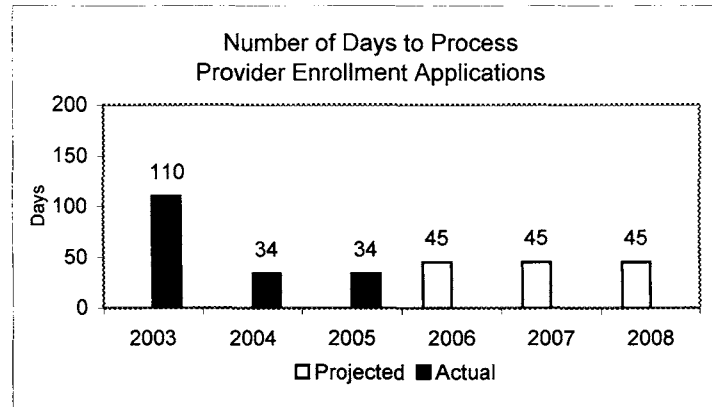
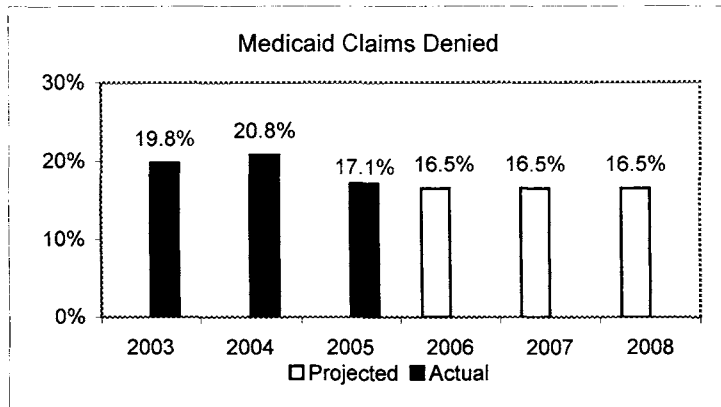
**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**



**7c. Provide the number of clients/individuals served, if applicable.**

Payment Claims and Encounter Claims Processed		
SFY	Actual	Projected
2003	73.6 mil	76.2 mil
2004	78.1 mil	79.5 mil
2005	82.0 mil	84.3 mil
2006		86.1 mil
2007		90.4 mil
2008		94.9 mil

**7d. Provide a customer satisfaction measure, if available.**

**NEW DECISION ITEM  
RANK: 22**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: Information Systems Consultant**

**Budget Unit Number: 90522C**  
**DI#: 886017**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE	175,000	1,575,000		1,750,000
PSD				
<b>Total</b>	<b>175,000</b>	<b>1,575,000</b>		<b>1,750,000</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE	175,000	1,575,000		1,750,000
PSD				
<b>Total</b>	<b>175,000</b>	<b>1,575,000</b>		<b>1,750,000</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Consultant	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funding is requested to compensate for consultant services for the development of a Request for Proposal (RFP) for the next Medicaid Management Information System (MMIS) procurement.*

Funding is being requested for the state to secure consultant services to develop requirements and a proposed structure to include in the RFP to acquire a fiscal agent to operate the MMIS. The current contract expires June 2009 at which time an enhanced or replacement MMIS will be procured.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Prior to the expiration of the current contract in June 2009, the state will release a RFP to acquire a fiscal agent to operate the MMIS. The RFP will be for either a replacement system or an enhancement to the current MMIS. The cost for replacing the MMIS is estimated to be \$35-\$40 million as indicated by the Centers for Medicare and Medicaid Services' (CMS) experience with other states. The cost for an enhancement to the current MMIS would be considerably less. The cost to acquire a fiscal agent is not included in the FY 2007 budget request.

As part of the process to acquire a fiscal agent, Missouri will issue a RFP seeking interested firms to provide technical assistance in planning, developing and procuring a Health Insurance Portability and Accountability Act (HIPAA) compliant MMIS and fiscal agent contract. Through this RFP, the state will secure consulting, technical assistance, and evaluation services to develop requirements and a proposed structure to include in the RFP to acquire a fiscal agent to operate the MMIS. Based on the experience of other states in obtaining such a consultant, the cost of \$1,750,000 (\$175,000 General Revenue, \$1,575,000 Federal) is being requested. Consultant services earn 90% FFP and require 10% state share.

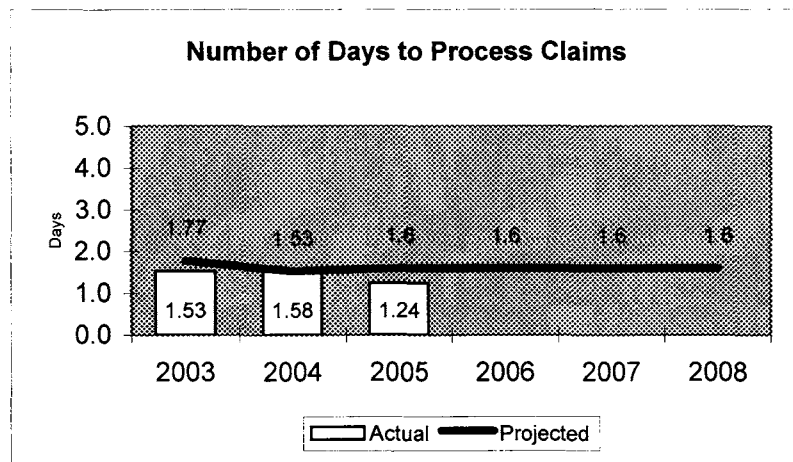
<b>5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.</b>									
<b>Budget Object Class/Job Class</b>	<b>Dept Req GR DOLLARS</b>	<b>Dept Req GR FTE</b>	<b>Dept Req FED DOLLARS</b>	<b>Dept Req FED FTE</b>	<b>Dept Req OTHER DOLLARS</b>	<b>Dept Req OTHER FTE</b>	<b>Dept Req TOTAL DOLLARS</b>	<b>Dept Req TOTAL FTE</b>	<b>Dept Req One-Time DOLLARS</b>
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>
400 - Professional Services	175,000		1,575,000				1,750,000		
<b>Total EE</b>	<b>175,000</b>		<b>1,575,000</b>		<b>0</b>		<b>1,750,000</b>		<b>0</b>
							0		
<b>Total PSD</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Grand Total</b>	<b>175,000</b>	<b>0.0</b>	<b>1,575,000</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>1,750,000</b>	<b>0.0</b>	<b>0</b>

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS

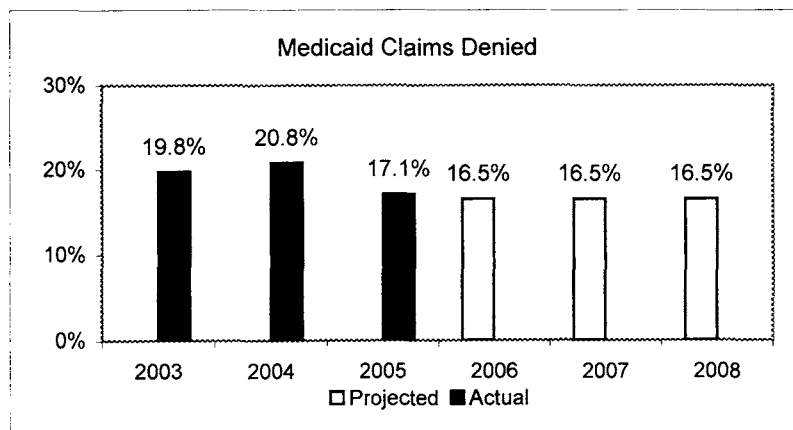
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>
400 - Professional Services	175,000		1,575,000				1,750,000		
<b>Total EE</b>	<b>175,000</b>		<b>1,575,000</b>		<b>0</b>		<b>1,750,000</b>		<b>0</b>
<b>Total PSD</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Grand Total</b>	<b>175,000</b>	<b>0.0</b>	<b>1,575,000</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>1,750,000</b>	<b>0.0</b>	<b>0</b>

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**



6c. Provide the number of clients/individuals served, if applicable.

Payment Claims and Encounter Claims Processed		
SFY	Actual	Projected
2003	73.6 mil	76.2 mil
2004	78.1 mil	79.5 mil
2005	82.0 mil	84.3 mil
2006		86.1 mil
2007		90.4 mil
2008		94.9 mil

6d. Provide a customer satisfaction measure, if available.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

•Work toward new MMIS contract award by July 2007.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>INFORMATION SYSTEMS</b>								
Information Systems Consultant - 1886017								
PROFESSIONAL SERVICES	0	0.00	0	0.00	1,750,000	0.00	1,750,000	0.00
TOTAL - EE	0	0.00	0	0.00	1,750,000	0.00	1,750,000	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,750,000</b>	<b>0.00</b>	<b>\$1,750,000</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$175,000	0.00	\$175,000	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,575,000	0.00	\$1,575,000	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MC+ ENROLLMENT</b>								
<b>CORE</b>								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	80,124	0.00	0	0.00	0	0.00	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	1,779,479	0.00	1,910,113	0.00	1,910,113	0.00	1,910,113	0.00
TOTAL - EE	1,859,603	0.00	1,910,113	0.00	1,910,113	0.00	1,910,113	0.00
<b>TOTAL</b>	<b>1,859,603</b>	<b>0.00</b>	<b>1,910,113</b>	<b>0.00</b>	<b>1,910,113</b>	<b>0.00</b>	<b>1,910,113</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$1,859,603</b>	<b>0.00</b>	<b>\$1,910,113</b>	<b>0.00</b>	<b>\$1,910,113</b>	<b>0.00</b>	<b>\$1,910,113</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: Managed Care Enrollment

Budget Unit Number: 90525C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE		1,910,113		1,910,113
PSD				
Total		1,910,113		1,910,113
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE		1,910,113		1,910,113
PSD				
Total		1,910,113		1,910,113
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

## 2. CORE DESCRIPTION

This core request is for the continued funding of the Health Benefit Manager (HBM) contract. The enrollment contract provides all enrollment services, client outreach, and education for the Managed Care program.

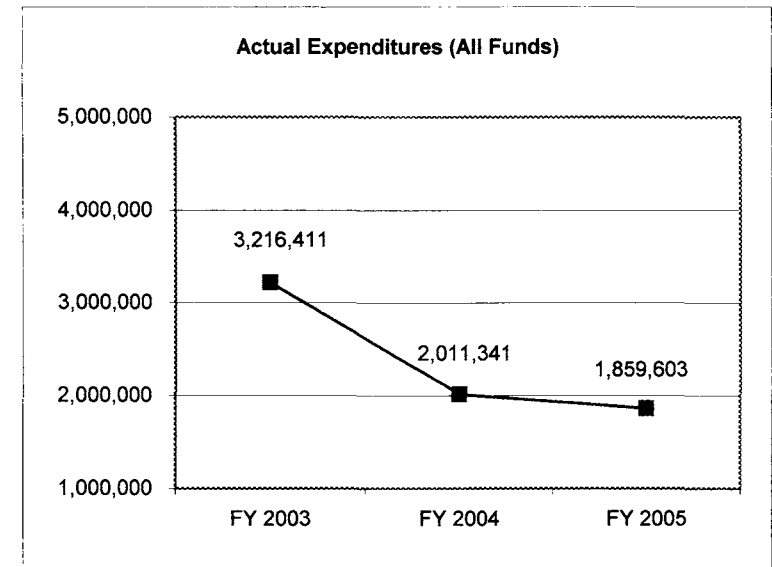
## 3. PROGRAM LISTING (list programs included in this core funding)

Managed Care Enrollment

**CORE DECISION ITEM**

**4. FINANCIAL HISTORY**

	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Current Yr.</b>
Appropriation (All Funds)	3,219,699	3,214,472	1,998,558	1,910,113
Less Reverted (All Funds)	(3,288)	(3,131)	(2,653)	N/A
Budget Authority (All Funds)	3,216,411	3,211,341	1,995,905	N/A
Actual Expenditures (All Funds)	3,216,411	2,011,341	1,859,603	N/A
Unexpended (All Funds)	0	1,200,000	136,302	N/A
Unexpended, by Fund:				
General Revenue			5,668	N/A
Federal		1,200,000	130,634	N/A
Other				N/A
		<b>(1)</b>		



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

**NOTES:**

**(1)** Agency reserve of \$1,200,000 due to savings from contract rebid taken as a core cut in FY 2005.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****MC+ ENROLLMENT**

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**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>	EE	0.00	0	1,910,113	0	1,910,113	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>1,910,113</b>	<b>0</b>	<b>1,910,113</b>	
<b>DEPARTMENT CORE REQUEST</b>	EE	0.00	0	1,910,113	0	1,910,113	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>1,910,113</b>	<b>0</b>	<b>1,910,113</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>	EE	0.00	0	1,910,113	0	1,910,113	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>1,910,113</b>	<b>0</b>	<b>1,910,113</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MC+ ENROLLMENT</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	1,859,603	0.00	1,910,113	0.00	1,910,113	0.00	1,910,113	0.00
TOTAL - EE	1,859,603	0.00	1,910,113	0.00	1,910,113	0.00	1,910,113	0.00
<b>GRAND TOTAL</b>	<b>\$1,859,603</b>	<b>0.00</b>	<b>\$1,910,113</b>	<b>0.00</b>	<b>\$1,910,113</b>	<b>0.00</b>	<b>\$1,910,113</b>	<b>0.00</b>
GENERAL REVENUE	\$80,124	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$1,779,479	0.00	\$1,910,113	0.00	\$1,910,113	0.00	\$1,910,113	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Managed Care Enrollment**

**Program is found in the following core budget(s): Managed Care Enrollment**

### **1. What does this program do?**

*PROGRAM SYNOPSIS: Provides payment for the Health Benefit Manager Contract. The contractor provides all enrollment services for the MC+ managed care program.*

In 1995, Missouri began enrolling certain Medicaid recipients into managed care plans as the result of receiving a 1915(b) waiver. In 1998, Missouri received approval of an 1115 waiver (see separate 1115 waiver program description). Waiver eligibles in managed care areas enroll in managed care health plans.

Missouri contracts with a Health Benefits Manager (HBM) to provide enrollment services. The HBM contractor is responsible for managed care enrollment activities. The HBM gathers essential data at the time of enrollment or transfer, such as health risk assessment information. The health risk assessment information is passed to the health plan, which assists the health plan in reaching high risk and special needs clients.

The contractor is responsible for training and recruiting their staff and providing all office equipment and systems equipment necessary to provide enrollment services. With a responsive enrollment process, providers will have confidence in the system and the enrollment process will not be a source of provider dissatisfaction with the MC+ Managed Care program.

Missouri operates the MC+ Managed Care program under a 1915(b) waiver which allows for mandatory enrollment in a health plan. MC+ Managed Care enrollees have a twelve month lock-in to provide a solid continuum of care. Once an enrollee chooses a health plan or is assigned to a health plan, the enrollee has ninety days in which to change health plans for any reason. After the ninety day period, the enrollee will be allowed to change health plans for good cause as determined by the state agency at any time within the twelve month lock-in. With a projected MC+ Managed Care population of almost 442,000 in FY06, the maintenance efforts on the part of the HBM will be significant.

The current contractor is Policy Studies, Inc. The contractor is paid a firm, fixed price per member, per month.

### **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.166; Federal law: Social Security Act Section 1915(b), 1115 Waiver; Federal Regulation: 42 CFR 438

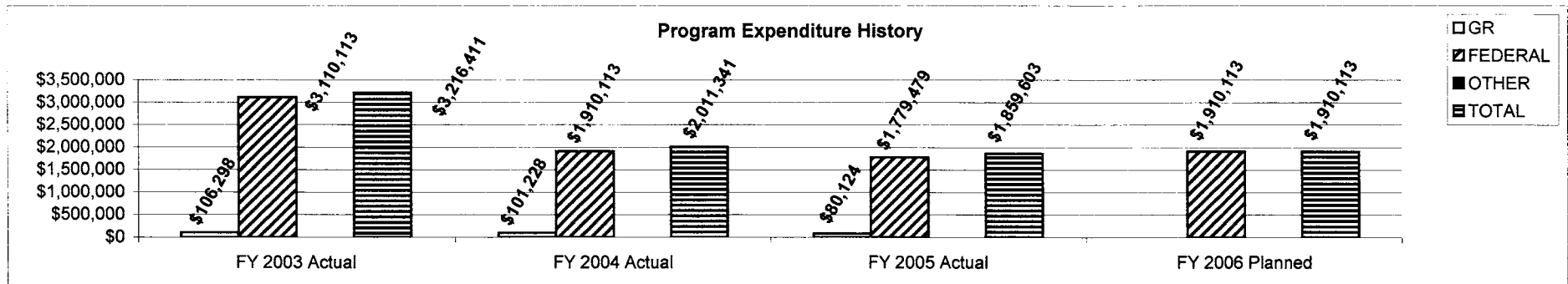
### **3. Are there federal matching requirements? If yes, please explain.**

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

### **4. Is this a federally mandated program? If yes, please explain.**

No.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**

Percent of recipients eligible for Managed Care enrolled in Managed Care		
SFY	Actual	Projected
2003	98.5%	100.0%
2004	98.3%	100.0%
2005	98.1%	100.0%
2006		100.0%
2007		100.0%
2008		100.0%

**7b. Provide an efficiency measure.**

Enrollment Percentage Before Rate Assignment Algorithm		
SFY	Actual	Projected
2003	94.35%	90.00%
2004	94.52%	90.00%
2005	94.18%	95.00%
2006		95.00%
2007		95.00%
2008		95.00%

**7c. Provide the number of clients/individuals served, if applicable.**

Average Managed Care Monthly Enrollees		
SFY	Actual	Projected
2003	411,675	418,575
2004	434,749	439,250
2005	437,176	461,213
2006		441,547
2007		445,962
2008		450,422

**7d. Provide a customer satisfaction measure, if available.**



## FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	284,608,058	0.00	198,393,791	0.00	93,703,877	0.00	93,703,877	0.00
TITLE XIX-FEDERAL AND OTHER	700,240,767	0.00	549,773,711	0.00	278,837,731	0.00	278,837,731	0.00
PHARMACY REBATES	96,303,828	0.00	88,164,532	0.00	37,257,750	0.00	37,257,750	0.00
THIRD PARTY LIABILITY COLLECT	2,100,000	0.00	5,364,715	0.00	5,271,334	0.00	5,271,334	0.00
INTERGOVERNMENTAL TRANSFER	10,575,694	0.00	0	0.00	0	0.00	0	0.00
PHARMACY REIMBURSEMENT ALLOWAN	61,984,630	0.00	41,150,896	0.00	23,498,486	0.00	23,498,486	0.00
HEALTH INITIATIVES	940,214	0.00	969,293	0.00	969,293	0.00	969,293	0.00
HFT-HEALTH CARE ACCT	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00
TOTAL - PD	1,157,794,225	0.00	884,857,972	0.00	440,579,505	0.00	440,579,505	0.00
<b>TOTAL</b>	<b>1,157,794,225</b>	<b>0.00</b>	<b>884,857,972</b>	<b>0.00</b>	<b>440,579,505</b>	<b>0.00</b>	<b>440,579,505</b>	<b>0.00</b>
<b>CtoC Supp Medicaid Programs - 1886001</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	18,511,765	0.00	18,511,765	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	29,796,600	0.00	29,796,600	0.00
TOTAL - PD	0	0.00	0	0.00	48,308,365	0.00	48,308,365	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>48,308,365</b>	<b>0.00</b>	<b>48,308,365</b>	<b>0.00</b>
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	10,539,720	0.00	10,539,720	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	16,964,767	0.00	16,964,767	0.00
TOTAL - PD	0	0.00	0	0.00	27,504,487	0.00	27,504,487	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>27,504,487</b>	<b>0.00</b>	<b>27,504,487</b>	<b>0.00</b>
<b>Phrmcy Utiliz Elder/Disabled - 1886004</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	7,875,829	0.00	7,875,829	0.00

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# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

### Budget Unit

Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>Phrmcy Utiliz Elder/Disabled - 1886004</b>								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	12,676,960	0.00	12,676,960	0.00
TOTAL - PD	0	0.00	0	0.00	20,552,789	0.00	20,552,789	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>20,552,789</b>	<b>0.00</b>	<b>20,552,789</b>	<b>0.00</b>
<b>Pharmacy Inflation/New Drugs - 1886010</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	35,618,194	0.00	29,994,268	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	57,331,163	0.00	48,278,875	0.00
TOTAL - PD	0	0.00	0	0.00	92,949,357	0.00	78,273,143	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>92,949,357</b>	<b>0.00</b>	<b>78,273,143</b>	<b>0.00</b>
<b>Part D Excluded Drugs - 1886015</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	16,920,245	0.00	16,920,245	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	27,234,882	0.00	27,234,882	0.00
TOTAL - PD	0	0.00	0	0.00	44,155,127	0.00	44,155,127	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>44,155,127</b>	<b>0.00</b>	<b>44,155,127</b>	<b>0.00</b>
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	2,456,499	0.00	2,456,499	0.00
TOTAL - PD	0	0.00	0	0.00	2,456,499	0.00	2,456,499	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>2,456,499</b>	<b>0.00</b>	<b>2,456,499</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$1,157,794,225</b>	<b>0.00</b>	<b>\$884,857,972</b>	<b>0.00</b>	<b>\$676,506,129</b>	<b>0.00</b>	<b>\$661,829,915</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Pharmacy

Budget Unit Number: 90541C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD	93,703,877	278,837,731	68,037,897	440,579,505	PSD	93,703,877	278,837,731	68,037,897	440,579,505
Total	93,703,877	278,837,731	68,037,897	440,579,505	Total	93,703,877	278,837,731	68,037,897	440,579,505
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)  
Pharmacy Rebates Fund (0114)  
Pharmacy Reimbursement Allowance Fund (0144)  
Third Party Liability Collections Fund (0120)

Other Funds: Health Initiatives Fund (HIF) (0275)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)  
Pharmacy Rebates Fund (0114)  
Pharmacy Reimbursement Allowance Fund (0144)  
Third Party Liability Collections Fund (0120)

Notes: An "E" is requested for the \$38,792,394 Pharmacy Rebates Fund.

Notes: An "E" is requested for the \$38,792,394 Pharmacy Rebates Fund.

## 2. CORE DESCRIPTION

This core request is for the continued funding of the pharmacy fee-for-service program. Funding provides pharmacy services for the non-managed care Medicaid population. Funding is necessary to maintain pharmacy reimbursement at a sufficient level to ensure quality health care and provider participation.

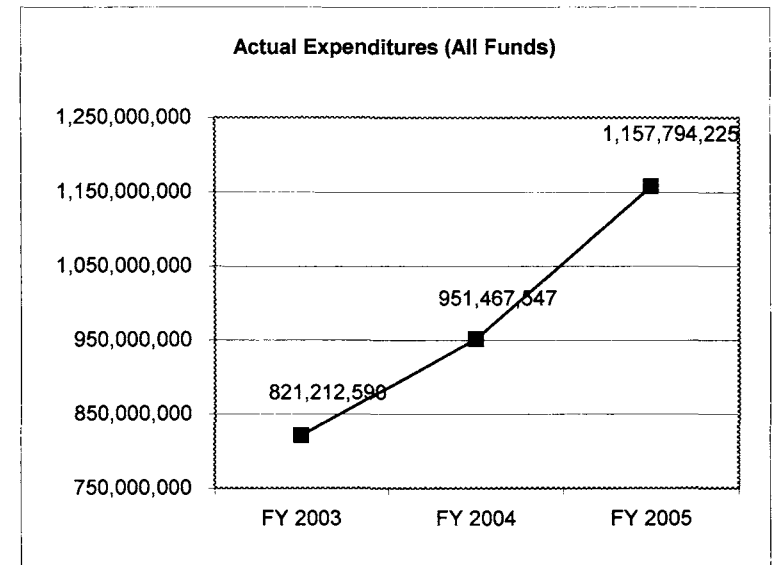
## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	827,865,521	957,749,272	1,179,156,068	884,857,972 E
Less Reverted (All Funds)		(29,079)	(29,079)	N/A
Budget Authority (All Funds)	827,865,521	957,720,193	1,179,126,989	N/A
Actual Expenditures (All Funds)	821,212,590	951,467,547	1,157,794,225	N/A
Unexpended (All Funds)	6,652,931	6,252,646	21,332,764	N/A
Unexpended, by Fund:				
General Revenue				N/A
Federal			17,572,764	N/A
Other	6,652,931	6,252,646	3,760,000	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

Estimated "E" appropriation for Pharmacy Rebates for FY 2003 thru FY 2006.

(1) Agency reserve of \$4,255,870 Pharmacy Reimbursement Allowance. Lapses are \$100,000 in Pharmacy Rebates, \$2,267,982 in Pharmacy Reimbursement Allowance, and \$29,079 in HIF. There was no cash to support lapsed authority in Pharmacy Rebates and Pharmacy FRA. Expenditures of \$50,633,763 were paid from the Supplemental Pool.

(2) Lapse of \$1,170,330 is Pharmacy Rebates and \$5,082,316 is Pharmacy Reimbursement Allowance. There was no cash to support lapsed authority in Pharmacy Rebates and Pharmacy Reimbursement Allowance. Expenditures of \$55,667,493 were paid from the Supplemental Pool.

(3) Agency reserve of \$3,760,000 TPL fund. Lapse of \$17,572,764 in federal authority. Expenditures of \$5,079,767 were paid from the Supplemental Pool (GR).

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES  
PHARMACY**

**5. CORE RECONCILIATION**

		<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>								
		PD	0.00	198,393,791	549,773,711	136,690,470	884,857,972	
		<b>Total</b>	<b>0.00</b>	<b>198,393,791</b>	<b>549,773,711</b>	<b>136,690,470</b>	<b>884,857,972</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#864]	PD	0.00	0	(2,456,499)	0	(2,456,499)	FMAP Adjustment
Core Reduction	[#888]	PD	0.00	(3,407,130)	(9,257,556)	(2,344,322)	(15,009,008)	Savings from MAF Adults over TANF income limits leaving Medicaid rolls after up to one year federally required transitional benefit. OF are Rx Rebates, Pharm FRA and TPL.
Core Reduction	[#2013]	PD	0.00	0	(12,525,587)	(7,781,785)	(20,307,372)	Decrease in enhanced dispensing fee from Medicare Part D.
Core Reallocation	[#2012]	PD	0.00	(101,282,784)	(246,696,338)	(58,526,466)	(406,505,588)	Transfer to Medicare Part D Clawback to annualize budgeted clawback payment. Other funds are \$9,154,328 Pharmacy FRA and \$49,372,138 Pharmacy Rebates.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(104,689,914)</b>	<b>(270,935,980)</b>	<b>(68,652,573)</b>	<b>(444,278,467)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	93,703,877	278,837,731	68,037,897	440,579,505	
		<b>Total</b>	<b>0.00</b>	<b>93,703,877</b>	<b>278,837,731</b>	<b>68,037,897</b>	<b>440,579,505</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	93,703,877	278,837,731	68,037,897	440,579,505	
		<b>Total</b>	<b>0.00</b>	<b>93,703,877</b>	<b>278,837,731</b>	<b>68,037,897</b>	<b>440,579,505</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	1,157,794,225	0.00	884,857,972	0.00	440,579,505	0.00	440,579,505	0.00
TOTAL - PD	1,157,794,225	0.00	884,857,972	0.00	440,579,505	0.00	440,579,505	0.00
<b>GRAND TOTAL</b>	<b>\$1,157,794,225</b>	<b>0.00</b>	<b>\$884,857,972</b>	<b>0.00</b>	<b>\$440,579,505</b>	<b>0.00</b>	<b>\$440,579,505</b>	<b>0.00</b>
GENERAL REVENUE	\$284,608,058	0.00	\$198,393,791	0.00	\$93,703,877	0.00	\$93,703,877	0.00
FEDERAL FUNDS	\$700,240,767	0.00	\$549,773,711	0.00	\$278,837,731	0.00	\$278,837,731	0.00
OTHER FUNDS	\$172,945,400	0.00	\$136,690,470	0.00	\$68,037,897	0.00	\$68,037,897	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Pharmacy**

**Program is found in the following core budget(s): Pharmacy**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payment for pharmacy services for fee for service Medicaid/MC+ recipients.*

This Pharmacy Services appropriation provides funding for fee-for-service eligibles for prescription drugs produced by manufacturers for which there exists a rebate agreement between the manufacturer and the federal Department of Health and Human Services (HHS) and dispensed by qualified providers. Since January 1, 1991, Missouri Medicaid has provided reimbursement for all outpatient drugs (except for those which are specifically excluded or for which prior authorization is necessary) for which there is a manufacturer's rebate agreement. While over-the-counter preparations do not require a prescription for sale to the general public, a prescription for those selected types of over-the-counter products that qualify for Medicaid coverage is required in order for the product to be reimbursable. In general terms, Missouri Medicaid drug reimbursement is made at the lower of : the Average Wholesale Price (AWP) less 10.43%; the Wholesale Acquisition Cost (WAC) plus 10%; the Federal Upper Limit (FUL); the Missouri Maximum Acquisition Cost (MAC) plus the professional dispensing fee; or the billed charge.

The U.S. Congress created the Medicaid outpatient prescription drug rebate program when it enacted the Omnibus Budget Reconciliation Act of 1990 (OBRA '90). The goal of the program is to reduce the cost of outpatient prescription drugs by requiring drug manufacturers to pay a rebate directly to State Medicaid programs. The purpose of the program is to reduce the cost of prescription drugs without placing an undue burden on pharmacies by requiring the drug manufacturers to pay a rebate directly to the state Medicaid programs. The intent of this rebate is to allow the state and federal governments to receive price reductions similar to those received by other high volume purchasers of drugs.

#### Rebate Program

OBRA '90 requires all drug manufacturers to enter into a drug rebate agreement with the Department of Health and Human Services before their product lines will be eligible for coverage by Medicaid. Currently, 500 manufacturers have signed agreements with Centers for Medicare and Medicaid Services (CMS) and participate in the Drug Rebate Program. Approximately 400 manufacturers have products dispensed and are invoiced quarterly. Once the drug manufacturer has entered into the agreement, the state Medicaid programs are required to provide coverage of the manufacturers' drug products. However, the state has the option of excluding certain categories of the manufacturer's products or requiring prior authorization for reimbursement of products. Manufacturers are required to calculate and make rebate payments to the state Medicaid agency for the manufacturer's covered outpatient drugs reimbursed by the state during each quarter. Manufacturers are to be invoiced no later than sixty days after the end of each calendar quarter and are required to make payment for the calculated drug rebate directly to the state Medicaid program within 38 days of invoicing. For generic drugs, the rebate amount is currently 11% of Average Manufacturer Price (AMP). For multi-source drugs, the rebate is the greater of 15% of AMP or the difference between the AMP and the manufacturer's "best price", plus CPI-U factors. The manufacturer has the option of disputing the calculated drug rebate amount if the manufacturer disagrees with the state's drug utilization data. The manufacturer is required to report the nature of the dispute to the state, and the state is then responsible for resolving the dispute through negotiation or a hearing process, if necessary. Approximately 40% of the total rebates collected are used as a state share funding source rather than using General Revenue funds. The approximate 60% federal share of the rebates collected is returned to the federal government.

#### Prior Authorization

Any covered outpatient drug is subject to prior authorization. Effective August 1, 1992, a prior authorization (PA) process was implemented for certain specific drugs under the pharmacy program. The following products or category of products will only be prior authorized for the listed indication:

<u>Drug or Category of Drug</u>	<u>Allowed Indication</u>
Abortifacients	Termination of pregnancy resulting from an act of rape or incest or when necessary to protect the life of the mother
Amphetamines	Attention deficit hyperactivity disorder narcolepsy
Barbiturates (with the exception of phenobarbital, mephobarbital, and metharbital)	Medically accepted uses
Butorphanol, nasal spray	Override of quantity restriction allowed for medically accepted uses
Drugs to treat sexual dysfunction	Sexual dysfunction
Histamine 2 Receptor Antagonists	Medically accepted uses
Isotretinoin	Medically accepted noncosmetic uses
Ketorolac, oral	Short term treatment of moderately severe acute pain following injection of same entity
Modafanil	Medically accepted uses
Orlistat	Dyslipidemia
Proton Pump Inhibitors	Medically accepted uses
Retinoic Acid	Medically accepted noncosmetic uses

Drug prior authorization (PA) requests are received via telephone, fax, or mail. All requests for drug PA must be initiated by a physician or authorized prescriber (advanced practice nurse) with prescribing authority for the drug category for which a PA is being requested. As specified in OBRA 90, drug PA programs must provide a response by telephone or other telecommunication device within 24 hours of receipt. All requests must include all required information. Requests received with insufficient information for review or received from someone other than a physician will not initiate a PA review nor the 24-hour response period. Drug PA requests received via telephone are keyed on-line and notification of approval will be given at the time of the call or by return FAX or phone call. The Medicaid Technicians who staff this hotline work through algorithms developed by the Drug Prior Authorization Committee with the assistance of UMKC-DIC, School of Pharmacy. These algorithms are sets of questions used to make a determination to approve or deny the request. Making the prior authorization determination on-line allows the PA file to be updated immediately. For approvals, the requestor will be given a seven-digit PA number and an approval end date. The PA number and the approval end date must be communicated to the dispensing pharmacy either verbally or on the face of the prescription. This information should also be recorded in the patient's medical record, as additional prescriptions written for the approved drug, within the approval period, will also require this information. Pharmacies may record this information for this purpose as well.

#### Board and Committee Support and Oversight

The Division of Medical Services operates both prospective and retrospective Drug Utilization Review (DUR) as required by federal and state law. The DUR program is focused on educating health care providers in the appropriate use of medications, and informing providers of potential drug therapy problems found in the review of drug and diagnostic information obtained from Medicaid claims history. The DUR Board is central to all DUR program activities, and its duties and membership requirements are specified in state and federal law. DUR Board members are appointed by the Governor with advice and consent of the Senate, and its 13 members include 6 physicians, 6 pharmacists, and one quality assurance nurse.

In an ongoing process, the DUR Board reviews and makes changes to the clinical therapeutic criteria used to generate prospective and retrospective DUR interventions. The DUR Board also advises the Division on other issues related to appropriate drug therapy, and produces a quarterly newsletter for providers on selected drug topics. In addition to the Board, there is a Regional DUR Committee. The regional committee is comprised of physicians and pharmacists who evaluate individual Medicaid patients' retrospective drug regimens and advise their providers on appropriate drug use or potentially problematic drug therapies. The Chair and Co-chair of each Regional DUR Committee attend the quarterly DUR Board meetings in ex officio capacity in order to communicate therapeutic criteria and procedural recommendations to the Board from the committee and vice versa.

The prospective DUR process is under revision, and will soon be utilized to restrict the use of certain products to acceptable FDA guidelines, other edits control overuse via early refills and restrict payment of some products to specific dosage forms.

The Medicaid Drug Prior Authorization (PA) Committee is established in state regulation. This advisory committee is charged with reviewing drugs and recommending those drugs which are appropriate for reimbursement as a regular benefit verses those which should be placed on prior authorization status. All such recommendations made by the Drug PA Committee are referred to the DUR Board, as they are the statutorily-appointed advisory group for final recommendation to the Division.

#### Cost Containment Initiatives

As a result of new drugs, rapidly changing prescribing patterns, and increased expenditures in the Missouri Medicaid fee-for-service pharmacy program, the Medicaid program continues to implement a number of administrative measures to ensure the economic and efficient provision of the Medicaid pharmacy benefit. These strategies have been developed through recommendations from a number of sources, including affected state agencies, provider groups, and the pharmaceutical industry. The intent of these initiatives is to ensure that Medicaid recipients get the right drug to meet their needs, in the right amount, and for the right period of time. The cost containment initiatives include:

31-Day Maximum Supply: Effective for dates of service on or after December 1, 2000, the State agency implemented a 31-day maximum supply restriction on claims submitted for prescriptions dispensed to Missouri Medicaid recipients. Pharmacy claims submitted for a days supply greater than allowed under this policy will be denied. The following categories are exempt from this restriction: antiretroviral agents, oral contraceptives, children's vitamins, prenatal vitamins, and drug products limited by packaging requirements.

Expanded Missouri Maximum Allowable Cost (MAC) List: The list of drugs for which the state agency has established a generic reimbursement limit will be monitored and expanded on a regular basis. A mechanism is in place to identify new generic drugs for addition to this list, as they become available.

Nursing Home Credits for Returned Drugs: The Department of Economic Development, Board of Pharmacy is filing the Final Order of Rulemaking on returned drugs. The following language will be added to Section 4 CSR 220-3.040 Return and Reuse of Drugs and Devices: (D) Only drug products dispensed in the original manufacturer's packaging that remains sealed in tamper-evident packaging may be reused. This Final Order of Rulemaking is scheduled to be published in the Missouri Register in October and go into effect on November 30, 2002.

Unique Prescriber Number: Effective for dates of service on or after December 1, 2001, the Medicaid pharmacy claims filing process requires the Missouri State Bureau of Narcotics and Dangerous Drugs (BNDD) identification number or the Missouri Medicaid provider number in the prescriber identification field. Claims submitted on or after that date that do not identify the prescriber's Missouri Medicaid provider number or BNDD number will be rejected.

Edits - Early Refill: Effective for claims submitted on or after March 18, 2002, the ability of pharmacy providers to manually override claims denied for the early refill edit, has been revoked. Providers must now contact the help desk in order to obtain an override for payment of claims being denied for the early refill edit.

Edits - Dose Optimization: Effective for dates of service on or after April 16, 2002, claims submitted to the Missouri Medicaid Pharmacy Program will be subject to edits to identify claims for pharmacy services that fall outside expected patterns of use for certain products. Overrides to these edit denials can be processed through the help desk. Justification for utilization outside expected patterns such as FDA approved labeling will be required for approval of such an override.

Pharmacy Provider Tax: The Missouri General Assembly recently passed legislation establishing a tax on licensed retail pharmacies in Missouri for the privilege of providing outpatient prescription drugs. The tax is based on the information obtained in an affidavit sent to pharmacies in June 2002, including monthly gross retail prescription pharmacy receipts. The Department of Social Services has notified each pharmacy of the amount of tax due. The first payment was due August 15, 2002. This tax may be withheld from each pharmacy's Medicaid check through an offset or the pharmacy may send a check or money order. Effective July 1, 2002, Missouri pharmacies were given an enhanced dispensing fee of \$3.95, for a total dispensing fee of \$8.04.

Eliminate Over-the-Counter Medications: As directed by the Missouri's General Assembly, effective July 1, 2002, the Pharmacy Program no longer pays for over-the-counter (OTC) drugs with the exceptions of insulin and insulin syringes. Pharmacy providers filing claims for OTCs will receive a response from the POS system indicating the "NDC number is not covered." Providers can request payment for OTCs through the paper exceptions process.

Prior Authorization of All New Drugs: Effective July 1, 2002, prior authorization is required for all new drug entities and new drug product dosage forms of existing drug entities that have been approved by the Food and Drug Administration and are available on the market. After identifying these products through First Data Bank's weekly updates, the medications are reviewed for medical and clinical criteria along with pharmacoeconomic impact to the pharmacy program.

Enhanced Retrospective Drug Utilization: Enhanced Retrospective Drug Utilization involves retroactively reviewing population based patterns of drug use to compare those patterns to approved therapeutic guidelines in order to determine the appropriateness of care, length of treatment, drug interaction, and other clinical issue.

Provider Audits: Daily provider audits are performed by DMS/Verizon staff for the identification and resolution of potential recoupments.

Enhanced pharmacy contract: Given the financial constraints on the state's Medicaid budget, the high cost of treating chronically ill patients, and the desire to improve patient outcomes and health status, the Division of Medical Services has awarded a one year contract (with renewal options) to Heritage Information Systems, Inc. of Richmond, Virginia, to provide enhanced pharmacy services consisting of the following 3 (three) components:

- ♦ Disease Management - This initiative is a proactive approach designed to meet the comprehensive needs of the individual that will slow the progression of chronic disease and avoid medical crises to the greatest possible degree. Based on a cooperative physician and pharmacist team recruited by Heritage, the disease management program will be designed to deliver services to patients with a goal of achieving improved patient care, improved patient outcomes, reduced inpatient hospitalization, reduced emergency room visits, lower total cost, and better educated provider and patients.

- ♦ **Fiscal and Clinical Edits** - This initiative will optimize the use of program funds and enhance patient care through improved use of pharmaceuticals. Since the implementation of the Omnibus Budget Reduction Act of 1990 (OBRA 90), education on the use of pharmaceuticals has been accomplished primarily through DUR. However, the prospective DUR alerts currently generated by the fiscal agent (Verizon) have been largely ignored by pharmacy providers as they are more general in nature and few are tied to claim reimbursement. Other third party payors have successfully utilized more extensive evidence based claims screening edits in an effort to control costs. Such edits are applicable within the Medicaid program to achieve similar cost controls.

Point-of-service pharmacy claims will be routed through Heritage's automated system to apply edits specifically designed to assure effective utilization of pharmaceuticals. The edits will be founded on evidence-based clinical and nationally recognized expert consensus criteria. Claims will continue to be processed by Verizon for all other edits and final adjudication. After processing by Heritage and Verizon, the claim will be sent back to the provider with a total processing time of approximately 10 seconds. Claims which are denied by the system edits will require an override from the existing help desk. Providers seeking an override must contact the help desk for approval, which will be granted if medically necessary.

- ♦ **Drug Utilization Review** -This process is currently provided by Heritage, and will be an extension of the current process with some enhancements. Under the new contract, this initiative will utilize the same database / computer system as for the previously described components. This system uses a relational database capable of interfacing Medicaid paid claims history with flexible, high quality clinical evaluation criteria. The process will be designed to identify high-risk drug use patterns among physicians, pharmacists, and beneficiaries, and to educate providers (prescribers and dispensers) in appropriate and cost-effective drug use. This process will also be capable of identifying providers prescribing and dispensing practices which deviate from defined standards, as well as generate provider profiles and ad hoc reports for specified provider and recipient populations. The goal of the program will be to maximize drug therapy and outcomes, and optimize expenditures for health care.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State: RSMo. 208.152, 208.166, Federal law: Social Security Act Section 1902(a)(12), Federal regulation: 42 CFR 440.120

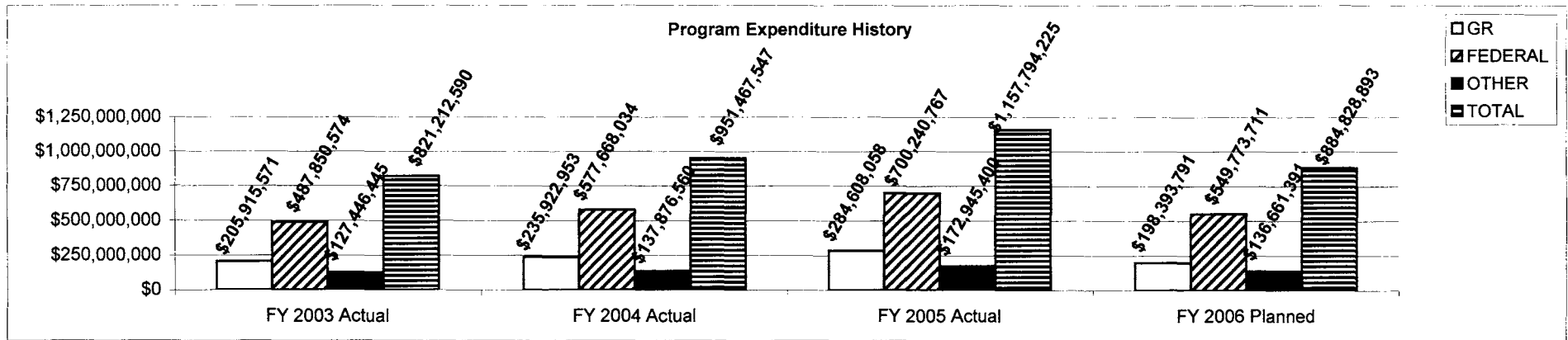
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY06 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

Yes for children. No for adults.

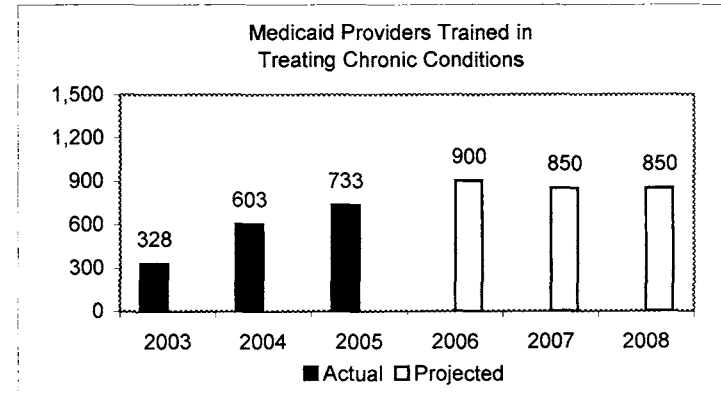
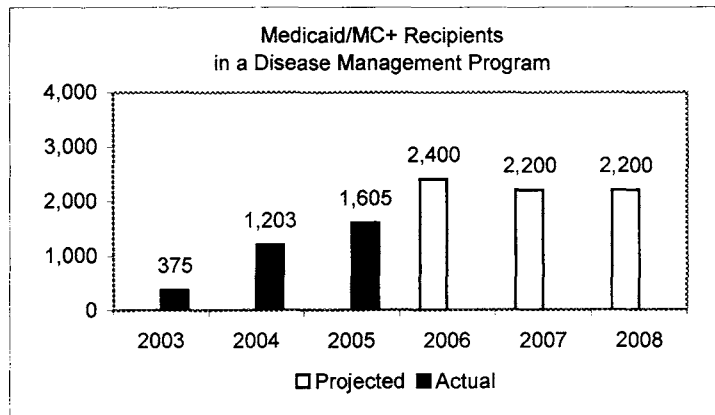
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



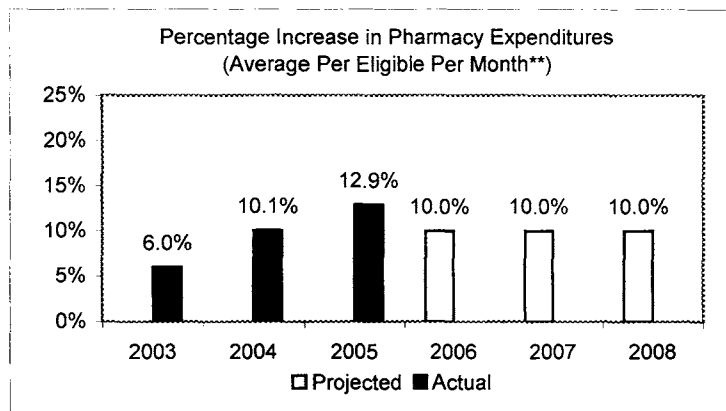
**6. What are the sources of the "Other" funds?**

Pharmacy Reimbursement Allowance Fund (0144), Pharmacy Rebates Fund (0114), Health Initiatives Fund (0275), Healthy Families Trust Fund-Health Care Account (0640), Third Party Liability Fund (0120) and Intergovernmental Transfer Fund (0139) not available in FY 06.

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**



\*\*Based on 2003, 3% below the national average would be 11.5%.  
10% is used as target because it is less than the national average less 3%.

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Pharmacy services are available to all Medicaid eligibles. In the regions of the state where MC+ managed care has been implemented, enrollees have pharmacy services available through the MC+ managed care health plans.

Average Monthly Pharmacy Users		
SFY	Actual	Projected
2003	253,178	
2004	272,828	
2005	291,081	293,290
2006		240,300
2007		188,900*
2008		214,400

\*Reduction in FY07 due to the MMA

Number of Pharmacy Claims		
SFY	Actual	Projected
2003	15.4 mil	16.2 mil
2004	17.1 mil	16.5 mil
2005	19.1 mil	18.8 mil
2006		16.2 mil*
2007		10.4 mil
2008		11.4 mil

\* Reduction in FY06 due to the MMA

**7d. Provide a customer satisfaction measure, if available.**



**NEW DECISION ITEM  
RANK: 11**

Department: Social Services  
Division: Medical Services  
DI Name: Pharmacy Utilization for Elderly and Disabled

Budget Unit Number: 90541C

DI#: 886004

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	7,875,829	12,676,960		20,552,789
<b>Total</b>	<b>7,875,829</b>	<b>12,676,960</b>		<b>20,552,789</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	7,875,829	12,676,960		20,552,789
<b>Total</b>	<b>7,875,829</b>	<b>12,676,960</b>		<b>20,552,789</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Growth within current eligibility guidelines	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: To fund increased drug utilization for the elderly and disabled Medicaid populations.*

This decision item seeks funding for the anticipated increase in pharmacy expenditures due to increased utilization. The elderly and persons with disabilities population are utilizing more pharmacy prescriptions each year. Over the past year, the average number of prescriptions per month for the elderly population rose .21 and the disabled group rose .31. The projected increase in claims for FY 2007 is 292,711.

The Federal Regulation is 42 CFR 440.120 and the State Authority is 208.152 and 208.166 RSMo.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

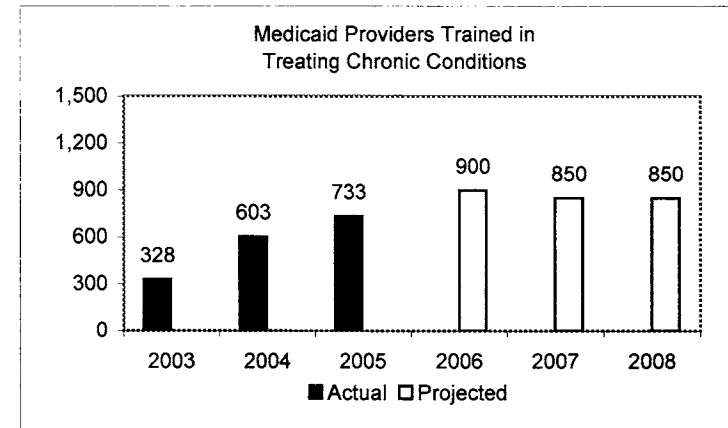
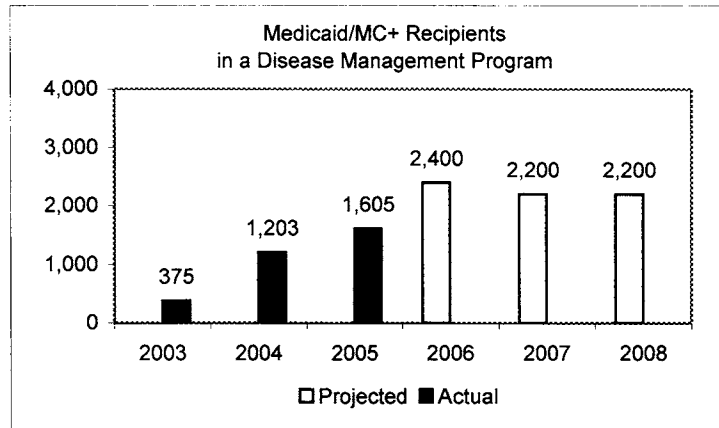
	OAA Eligibles	PTD Eligibles	Total
Projected Eligibles for FY 2007	72,095	147,604	
Increase in Average Mthly Prescriptions	0.21	0.31	
Increased Prescriptions per Month	15,140	45,757	
Months in Year	12	12	
Projected Increase in Prescriptions	181,680	549,087	
Remaining Eligibles after Part D Reduction	10.00%	50.00%	
Projected Increase in Prescriptions	18,168	274,543	
Average Prescription Cost (FY 05)	\$48.08	\$71.68	
Projected Increase	\$873,515	\$19,679,274	\$20,552,789
	Total	GR	Federal
Pharmacy	\$20,552,789	\$7,875,829	\$12,676,960

<b>5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.</b>									
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	7,875,829		12,676,960				20,552,789		
Total PSD	7,875,829		12,676,960		0		20,552,789		0
Grand Total	7,875,829	0.0	12,676,960	0.0	0	0.0	20,552,789	0.0	0

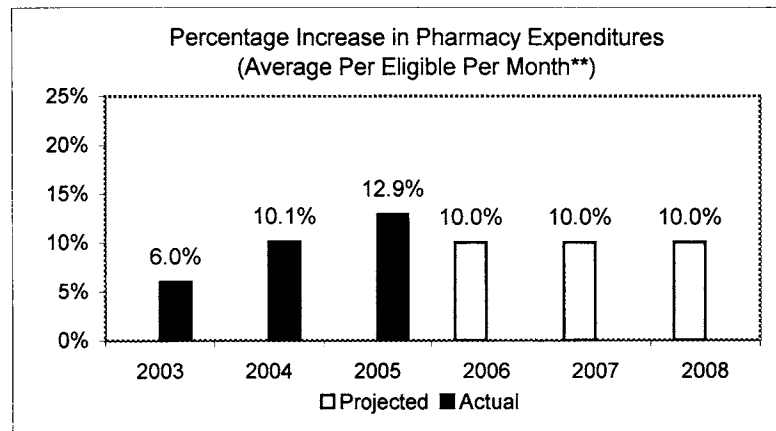
5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
							0	0.0	
							0	0.0	
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>
							0		
							0		
							0		
<b>Total EE</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
Program Distributions	7,875,829		12,676,960				20,552,789		
<b>Total PSD</b>	<b>7,875,829</b>		<b>12,676,960</b>		<b>0</b>		<b>20,552,789</b>		<b>0</b>
<b>Grand Total</b>	<b>7,875,829</b>	<b>0.0</b>	<b>12,676,960</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>20,552,789</b>	<b>0.0</b>	<b>0</b>

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**



\*\*Based on 2003, 3% below the national average would be 11.5%.  
10% is used as target because it is less than the national average less 3%.

6c. Provide the number of clients/individuals served, if applicable.

Pharmacy FFS Eligibles		
SFY	Actual	Projected
2003	506,021	
2004	530,188	
2005	555,446	
2006		570,359
2007		585,545
2008		601,096

Average Monthly Pharmacy Users		
SFY	Actual	Projected
2003	253,178	
2004	272,828	
2005	291,081	293,290
2006		240,300
2007		188,900*
2008		214,400

\*Reduction in FY07 due to the MMA

Number of Pharmacy Claims		
SFY	Actual	Projected
2003	15.4 mil	16.2 mil
2004	17.1 mil	16.5 mil
2005	19.1 mil	18.8 mil
2006		16.2 mil*
2007		10.4 mil
2008		11.4 mil

\*Reduction in FY06 due to the MMA

6d. Provide a customer satisfaction measure, if available.

## **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Continue review, update and implementation of new maximum allowable costs for drug products.
- Continue implementation of clinical edits, prior authorization and step therapy.
- Initiate a preferred drug list with accompanying supplemental rebates.
- Continue diabetic supplies sole source contract for cost containment.
- Continue existing cost containment activities.
- Implement third party liability cost avoidance on pharmacy claims.
- Identify providers currently serving the targeted population to invite them to participate in disease management.
- Make personal visits with providers to explain the program and assist with enrollment paperwork.
- Focus on clinical benefits of the participation and show providers the financial incentives.
- Reinforce clinical areas for improvement and provide clinical education where appropriate.
- Dedicated help desk for provider support.
- Continue statewide identification of recipients with targeted disease states.
- Continue outreach efforts through recipient mailings and direct promotion by their current practitioners.
- Dedicated help desk for recipient support.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
Phrmcy Utiliz Elder/Disabled - 1886004								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	20,552,789	0.00	20,552,789	0.00
TOTAL - PD	0	0.00	0	0.00	20,552,789	0.00	20,552,789	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$20,552,789</b>	<b>0.00</b>	<b>\$20,552,789</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$7,875,829	0.00	\$7,875,829	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$12,676,960	0.00	\$12,676,960	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



**NEW DECISION ITEM**  
**RANK: 17**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: Part D Excluded Drugs**

**Budget Unit Number: 90541C**

**DI#: 886015**

**1. AMOUNT OF REQUEST**

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE				
PSD	16,920,245	27,234,882		44,155,127
<b>Total</b>	<b>16,920,245</b>	<b>27,234,882</b>		<b>44,155,127</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE				
PSD	16,920,245	27,234,882		44,155,127
<b>Total</b>	<b>16,920,245</b>	<b>27,234,882</b>		<b>44,155,127</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

\_\_\_\_\_ New Legislation  
☒ Federal Mandate  
\_\_\_\_\_ GR Pick-Up  
\_\_\_\_\_ Pay Plan

\_\_\_\_\_ New Program  
\_\_\_\_\_ Program Expansion  
\_\_\_\_\_ Space Request  
\_\_\_\_\_ Other:

\_\_\_\_\_ Supplemental  
\_\_\_\_\_ Cost to Continue  
\_\_\_\_\_ Equipment Replacement

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funds are being requested to pay Medicare Part D excluded drugs such as Over-the-Counter (OTCs), Benzos, Barbs, etc.*

The Centers for Medicare & Medicaid Services (CMS) recently ruled that states are required to continue covering drugs that are not covered by Part D if states continue to cover these drugs for the remaining fee-for-service (FFS) Medicaid eligibles. These excluded drugs are currently covered for FFS Medicaid eligibles because they are an integral part of the current pharmacy management.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

An adhoc was produced that tabulated the cost of the Part D Excluded drugs for the dual eligible population for January 2003 through May 2005. Based on this data, a regression was done to project the cost for FY07. Since the excluded drugs continue to be an integral component of the pharmacy management, the cost to cover the excludables is increasing more than the pharmacy program overall. The projected need for FY 07 is \$44,155,127:

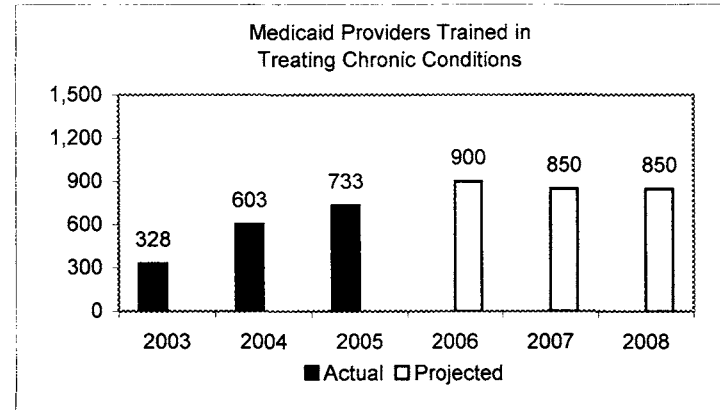
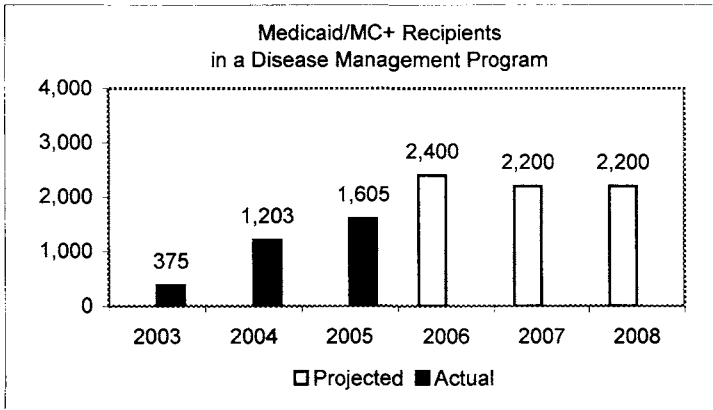
	GR	Federal	Other	Total
Pharmacy	\$16,920,245	\$27,234,882	\$0	\$44,155,127

<b>5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.</b>									
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	16,920,245		27,234,882				44,155,127		
Total PSD	16,920,245		27,234,882		0		44,155,127		0
Grand Total	16,920,245	0.0	27,234,882	0.0	0	0.0	44,155,127	0.0	0

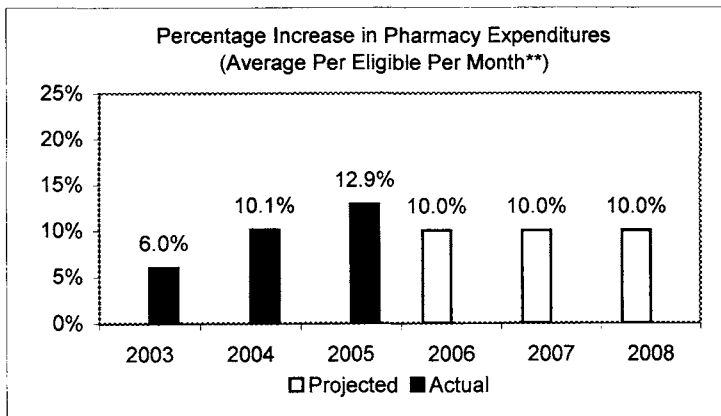
5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	16,920,245		27,234,882				44,155,127		
Total PSD	16,920,245		27,234,882		0		44,155,127		0
Grand Total	16,920,245	0.0	27,234,882	0.0	0	0.0	44,155,127	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**



\*\*Based on 2003, 3% below the national average would be 11.5%.  
10% is used as target because it is less than the national average less 3%.

6c. Provide the number of clients/individuals served, if applicable.

Pharmacy FFS Eligibles		
SFY	Actual	Projected
2003	506,021	
2004	530,188	
2005	555,446	
2006		
2007		570,359
2008		585,545
		601,096

Average Monthly Pharmacy Users		
SFY	Actual	Projected
2003	253,178	
2004	272,828	
2005	291,081	
2006		
2007		293,290
2008		240,300
		188,900*
		214,400

\*Reduction in FY07 due to the MMA

Number of Pharmacy Claims		
SFY	Actual	Projected
2003	15.4 mil	16.2 mil
2004	17.1 mil	16.5 mil
2005	19.1 mil	18.8 mil
2006		16.2 mil*
2007		10.4 mil
2008		11.4 mil

\*Reduction in FY06 due to the MMA

6d. Provide a customer satisfaction measure, if available.

## **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Continue statewide identification of recipients with targeted disease states.
- Continue outreach efforts through recipient mailings and direct promotion by their current practitioners.
- Dedicated help desk for recipient support.
- Identify providers currently serving the targeted population to invite them to participate in disease management.
- Continue review, update and implementation of new maximum allowable costs for drug products.
- Continue implementation of clinical edits, prior authorization and step therapy.
- Initiate a preferred drug list with accompanying supplemental rebates.
- Continue diabetic supplies sole source contract for cost containment.
- Continue existing cost containment activities.
- Implement third party liability cost avoidance on pharmacy claims.
- Make personal visits with providers to explain the program and assist with enrollment paperwork.
- Focus on clinical benefits of the participation and show providers the financial incentives.
- Reinforce clinical areas for improvement and provide clinical education where appropriate.
- Dedicated help desk for provider support.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY								
Part D Excluded Drugs - 1886015								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	44,155,127	0.00	44,155,127	0.00
TOTAL - PD	0	0.00	0	0.00	44,155,127	0.00	44,155,127	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$44,155,127	0.00	\$44,155,127	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$16,920,245	0.00	\$16,920,245	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$27,234,882	0.00	\$27,234,882	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY-MED PART D-CLAWBACK</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	97,407,513	0.00	198,690,297	0.00	198,690,297	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	189,457,826	0.00	436,154,164	0.00	436,154,164	0.00
PHARMACY REBATES	0	0.00	0	0.00	0	0.00	0	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	0	0.00	0	0.00	0	0.00
MISSOURI RX PLAN FUND	0	0.00	30,000,000	0.00	0	0.00	0	0.00
TOTAL - PD	0	0.00	316,865,339	0.00	634,844,461	0.00	634,844,461	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>316,865,339</b>	<b>0.00</b>	<b>634,844,461</b>	<b>0.00</b>	<b>634,844,461</b>	<b>0.00</b>
<b>GR Replace Rx Rebates &amp; PTax - 1886011</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	21,609,703	0.00	21,609,703	0.00
TOTAL - PD	0	0.00	0	0.00	21,609,703	0.00	21,609,703	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>21,609,703</b>	<b>0.00</b>	<b>21,609,703</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$316,865,339</b>	<b>0.00</b>	<b>\$656,454,164</b>	<b>0.00</b>	<b>\$656,454,164</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: Pharmacy--Medicare Part D-- Clawback

Budget Unit Number: 90543C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	198,690,297	436,154,164		634,844,461
Total	198,690,297	436,154,164		634,844,461
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	198,690,297	436,154,164		634,844,461
Total	198,690,297	436,154,164		634,844,461
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

## 2. CORE DESCRIPTION

Part of the Medicare Prescription Drug Act requires States to pay Medicare a portion of the cost of Part D drugs attributable to what would have been paid for by the State absent the Part D drug benefit. Beginning January 2006, the State is responsible to pay Medicare 90% of an average per person drug cost for each of the State's full-benefit dual eligibles for each month.

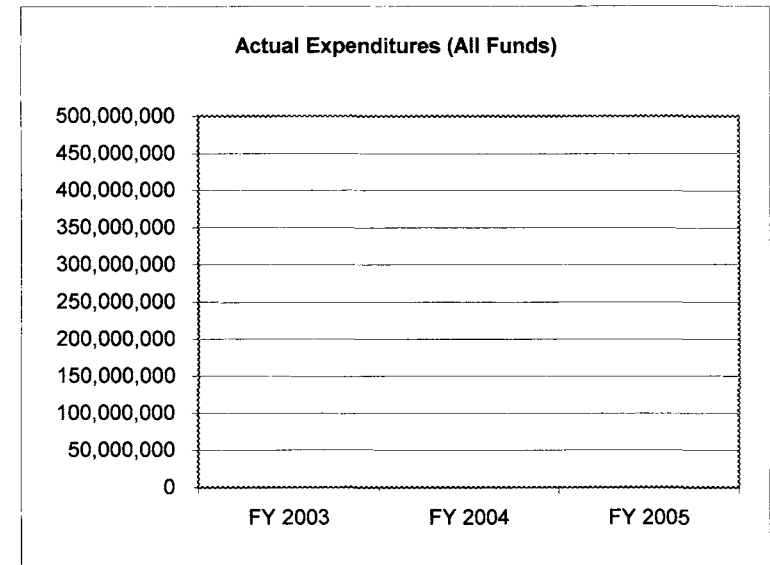
## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy--Medicare Part D--Clawback

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)				316,865,339
Less Reverted (All Funds)				N/A
Budget Authority (All Funds)	0	0	0	N/A
Actual Expenditures (All Funds)				N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue				N/A
Federal				N/A
Other				N/A
	(1)	(1)	(1)	(1)



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) This is a new appropriation. Prior to Medicare Part D, pharmacy costs for the dual eligibles would have been paid from the Pharmacy appropriation.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES  
PHARMACY-MED PART D-CLAWBACK**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	97,407,513	189,457,826	30,000,000	316,865,339	
		<b>Total</b>	<b>0.00</b>	<b>97,407,513</b>	<b>189,457,826</b>	<b>30,000,000</b>	<b>316,865,339</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#2014]	PD	0.00	0	0	(30,000,000)	(30,000,000)	Core cut empty MO Rx Plan authority.
Core Reduction	[#2116]	PD	0.00	0	0	(58,526,466)	(58,526,466)	Decrease in Pharmacy Rebates (\$49,372,138) and Pharmacy FRA (\$9,154,328) from Medicare Prescription Drug, Improvement and Modernization Act. Corresponding GR pick up NDI to fund the Part D Clawback. ...
Core Reallocation	[#2115]	PD	0.00	101,282,784	246,696,338	58,526,466	406,505,588	Transfer in from Pharmacy to annualize budgeted clawback payment. Other funds are \$9,154,328 Pharmacy FRA and \$49,372,138 Pharmacy Rebates.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>101,282,784</b>	<b>246,696,338</b>	<b>(30,000,000)</b>	<b>317,979,122</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	198,690,297	436,154,164	0	634,844,461	
		<b>Total</b>	<b>0.00</b>	<b>198,690,297</b>	<b>436,154,164</b>	<b>0</b>	<b>634,844,461</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	198,690,297	436,154,164	0	634,844,461	
		<b>Total</b>	<b>0.00</b>	<b>198,690,297</b>	<b>436,154,164</b>	<b>0</b>	<b>634,844,461</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY-MED PART D-CLAWBACK								
CORE								
PROGRAM DISTRIBUTIONS	0	0.00	316,865,339	0.00	634,844,461	0.00	634,844,461	0.00
TOTAL - PD	0	0.00	316,865,339	0.00	634,844,461	0.00	634,844,461	0.00
GRAND TOTAL	\$0	0.00	\$316,865,339	0.00	\$634,844,461	0.00	\$634,844,461	0.00
GENERAL REVENUE	\$0	0.00	\$97,407,513	0.00	\$198,690,297	0.00	\$198,690,297	0.00
FEDERAL FUNDS	\$0	0.00	\$189,457,826	0.00	\$436,154,164	0.00	\$436,154,164	0.00
OTHER FUNDS	\$0	0.00	\$30,000,000	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Pharmacy--Medicare Part D Clawback

Program is found in the following core budget(s): Pharmacy--Medicare Part D Clawback

### 1. What does this program do?

*PROGRAM SYNOPSIS: This is a new section requested in FY 06. The funding is a transfer from the Pharmacy section for "clawback" payments to the federal government.*

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 requires that all individuals who are eligible for both Medicare and Medicaid begin receiving their prescription drugs through the Medicare Part D program. This change will result in a significant shift in benefits for elderly and disabled dual eligible beneficiaries because they will receive their drugs through a prescription drug plan (PDP) rather than through the state Medicaid program.

Beginning in FY2006, states will be required to make a monthly payment to the federal government to, in effect, re-direct the money that the states would have spent on providing prescription drugs to beneficiaries in Medicaid. The clawback will consist of a monthly calculation based on the combination of (a) the state's per capita spending on prescription drugs in 2003, (b) the state Medicaid matching rate, (c) the number of dual eligibles residing in the state, and (d) a "phase-down percentage" of state savings to be returned to the federal government, beginning with 90 percent in 2006 and phasing down to 75 percent in 2015.

The federal government refers to this payment as the "Phased-down State Contribution", whereas the States more appropriately refer to the payment as the "Clawback". This clawback payment is, in effect, a funding source for the Medicare Part D program. In theory, it uses the General Revenue that the State would have paid for the Medicaid pharmacy benefit for funding the Part D program.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003

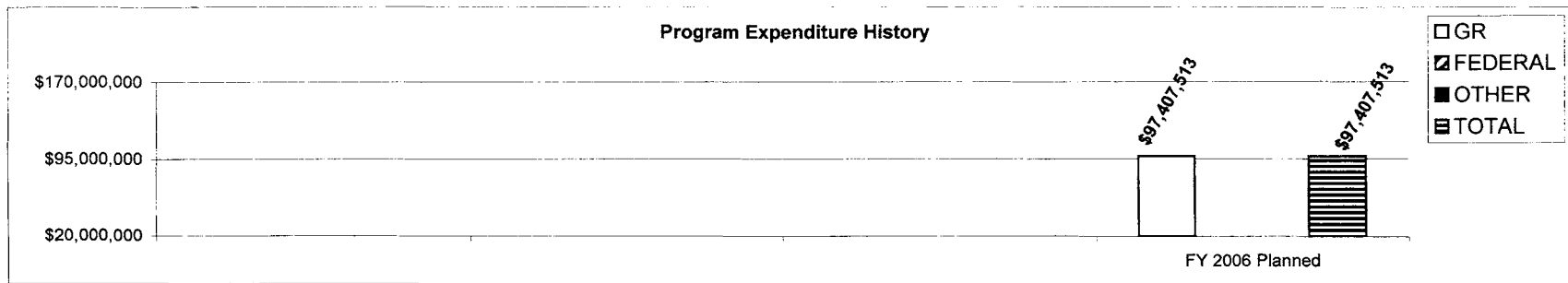
### 3. Are there federal matching requirements? If yes, please explain.

No.

### 4. Is this a federally mandated program? If yes, please explain.

Yes, the states are required to make a monthly payment to the federal government to re-direct the money that the states would have spent on providing prescription drugs to beneficiaries in Medicaid.

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



No expenditures paid in prior years, program is expected to begin in January 2006.

6. What are the sources of the "Other " funds?

Missouri Rx Plan Fund (0779)

7a. Provide an effectiveness measure.

New program/core in FY06, no data available.

7b. Provide an efficiency measure.

New program/core in FY06, no data available.

7c. Provide the number of clients/individuals served, if applicable.

New program/core in FY06, no data available.

7d. Provide a customer satisfaction measure, if available.

New program/core in FY06, no data available.

**NEW DECISION ITEM  
RANK: 5**

**Department: Social Services**

**Budget Unit Number: 90543C**

**Division: Medical Services**

**DI Name: GR Replacement for Pharmacy FRA and Rebates from MMA**

**DI#: 886011**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	21,609,703			21,609,703
<b>Total</b>	<b>21,609,703</b>			<b>21,609,703</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	21,609,703			21,609,703
<b>Total</b>	<b>21,609,703</b>			<b>21,609,703</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input checked="" type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input checked="" type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

This decision item requests General Revenue funding for a portion of the net loss in pharmacy tax and the loss in the federal rebates due to the transition of the pharmacy benefit for the dual eligibles to the Medicare Part D program.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

**Pharmacy Tax:**

The FY06 budget included a core reduction and GR pick up for six months of the lost pharmacy tax earnings from the transition of the dual eligibles pharmacy benefits from Medicaid to Medicare Part D. Lost pharmacy tax earnings must be annualized in FY07.

The FY06 pharmacy tax earnings on dual eligibles are estimated at \$16,936,113. This amount funds an enhanced dispensing fee and supports pharmacy program payments. The enhanced dispensing fee (\$7,781,785 of the \$16,936,113) that will no longer be paid. The net difference of \$9,154,328 is being requested as GR to help fund Part D Clawback payments.

**Rebates:**

Medicare Part D will not affect pharmacy rebate collections until FY07 as rebates are lagged by six months (Part D began January 1, 2006, mid FY06). Total pharmacy rebates budgeted for FY06 are \$88,164,532. It is estimated that dual eligible spending accounts for 56% of the rebates. As dual eligibles pharmacy costs transition from Medicaid to Medicare Part D, an estimated \$49,372,138 in current rebate collections (\$88,164,532 \* 56%) will be lost revenue. This NDI requests a partial pickup of the lost pharmacy rebates to help fund Part D Clawback payments.

GR	Federal	Other	Total
\$21,609,703			\$21,609,703

Pharmacy - Medicare Part D Clawback

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	21,609,703						21,609,703		
Total PSD	21,609,703		0		0		21,609,703		0
Grand Total	21,609,703	0.0	0	0.0	0	0.0	21,609,703	0.0	0

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	21,609,703						21,609,703		
Total PSD	21,609,703		0		0		21,609,703		0
Grand Total	21,609,703	0.0	0	0.0	0	0.0	21,609,703	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

New program in FY06, no data available.

**6b. Provide an efficiency measure.**

New program in FY06, no data available.

**6c. Provide the number of clients/individuals served, if applicable.**

New program in FY06, no data available.

**6d. Provide a customer satisfaction measure, if available.**

New program in FY06, no data available.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

Continue to work with CMS to ensure Missouri is being assessed the appropriate amount of clawback.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY-MED PART D-CLAWBACK</b>								
<b>GR Replace Rx Rebates &amp; PTax - 1886011</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	21,609,703	0.00	21,609,703	0.00
TOTAL - PD	0	0.00	0	0.00	21,609,703	0.00	21,609,703	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$21,609,703</b>	<b>0.00</b>	<b>\$21,609,703</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$21,609,703	0.00	\$21,609,703	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MISSOURI RX PLAN</b>								
CORE								
PROGRAM-SPECIFIC								
MISSOURI RX PLAN FUND	0	0.00	1	0.00	19,602,166	0.00	19,602,166	0.00
TOTAL - PD	0	0.00	1	0.00	19,602,166	0.00	19,602,166	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>0.00</b>	<b>19,602,166</b>	<b>0.00</b>	<b>19,602,166</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1</b>	<b>0.00</b>	<b>\$19,602,166</b>	<b>0.00</b>	<b>\$19,602,166</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Missouri Rx Plan

Budget Unit Number: 90538C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD			19,602,166	19,602,166	PSD			19,602,166	19,602,166
Total			19,602,166	19,602,166	Total			19,602,166	19,602,166
				E					E
FTE				0.00	FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Missouri Rx Plan Fund (0779)

Other Funds: Missouri Rx Plan Fund (0779)

## 2. CORE DESCRIPTION

The Missouri Rx Plan will provide certain pharmaceutical benefits to certain low-income elderly and disabled residents of the state, facilitate coordination of benefits between the Missouri Rx plan and the federal Medicare Part D drug benefit program established by the Medicare Prescription Drug Improvement and Modernization Act of 2003, P.L. 108-173 and enroll individuals in the program.

## 3. PROGRAM LISTING (list programs included in this core funding)

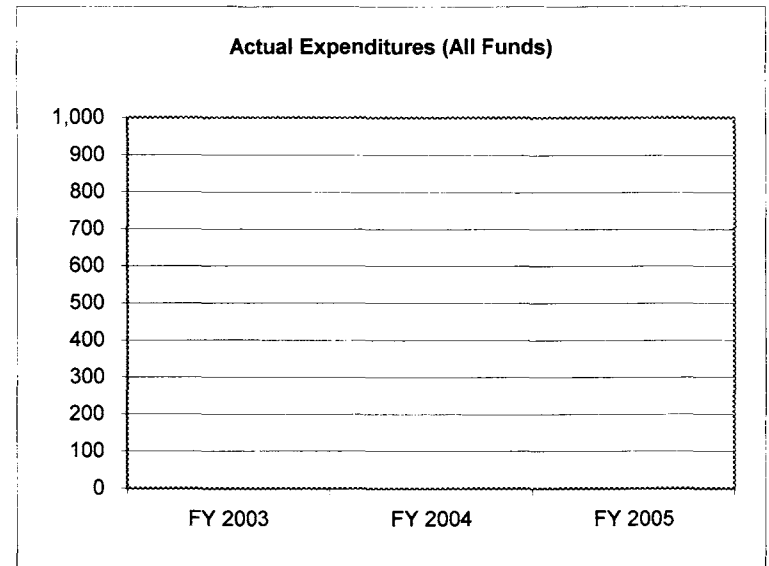
Pharmacy services under MMA - Part D

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)				1 E
Less Reverted (All Funds)				N/A
Budget Authority (All Funds)	0	0	0	N/A
Actual Expenditures (All Funds)				N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue				N/A
Federal				N/A
Other				N/A

(1)



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Legislation (SB 539) allows for the transfer of any unexpended and unobligated funds of the Missouri Senior Rx Fund to the Missouri Rx Plan Fund in FY 06.

## CORE RECONCILIATION

### DEPARTMENT OF SOCIAL SERVICES MISSOURI RX PLAN

#### 5. CORE RECONCILIATION

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>							
	PD	0.00	0	0	1	1	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>							
Transfer In	[#1259] PD	0.00	0	0	19,602,165	19,602,165	Transfer in Sr Rx Program funding from the Department of Health and Senior Services to support the MO Rx Plan.
<b>NET DEPARTMENT CHANGES</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>19,602,165</b>	<b>19,602,165</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PD	0.00	0	0	19,602,166	19,602,166	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>19,602,166</b>	<b>19,602,166</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	0	0	19,602,166	19,602,166	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>19,602,166</b>	<b>19,602,166</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MISSOURI RX PLAN</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	0	0.00	1	0.00	19,602,166	0.00	19,602,166	0.00
TOTAL - PD	0	0.00	1	0.00	19,602,166	0.00	19,602,166	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1</b>	<b>0.00</b>	<b>\$19,602,166</b>	<b>0.00</b>	<b>\$19,602,166</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$1	0.00	\$19,602,166	0.00	\$19,602,166	0.00

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Missouri Rx Plan

Program is found in the following core budget(s): Missouri Rx Plan

### 1. What does this program do?

*PROGRAM SYNOPSIS: Pharmacy benefit program for certain elderly and disabled Missourians, replacing the Senior Rx program effective January 2006.*

S.B. 539 (2005) established a state pharmaceutical assistance program to be known as the Missouri Rx Plan. The purpose of this program was to provide certain pharmaceutical benefits to certain elderly and disabled Missourians, to facilitate coordination of benefits between the Missouri Rx plan and the federal Medicare Part D drug program and enroll such individuals in the plan. As the program will not begin until January, 2006, details on the Missouri Rx Plan program are currently in development.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: RSMo. 208.780 through 208.798; Federal law: Medicare Prescription Drug Improvement and Modernization Act of 2003, P.L. 108-173.

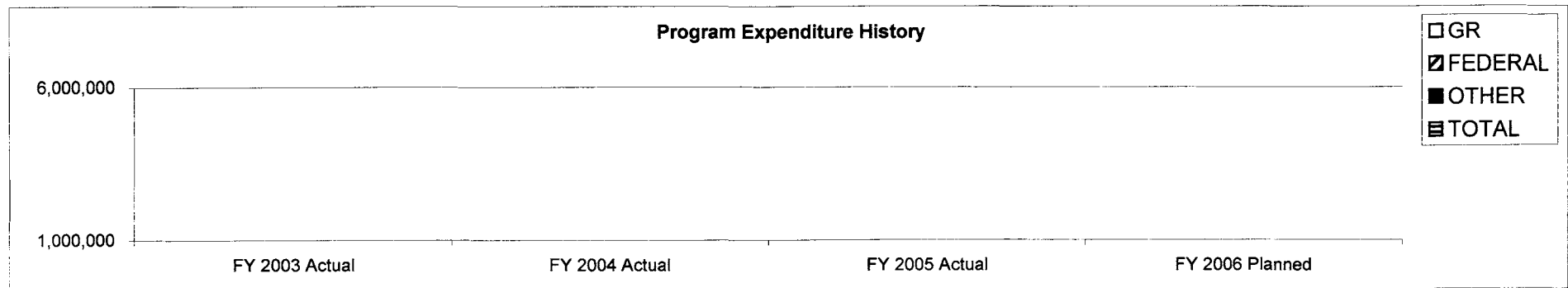
### 3. Are there federal matching requirements? If yes, please explain.

No. This program is funded with 100% state sources.

### 4. Is this a federally mandated program? If yes, please explain.

No.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



New program in FY06. FY06 planned expenditures are unknown at this time.

**6. What are the sources of the "Other " funds?**

Missouri Rx Plan Fund (1024)

**7a. Provide an effectiveness measure.**

**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

## Budget Unit

Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHYSICIANS</b>								
<b>CORE</b>								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	1,732,396	0.00	904,599	0.00	1,178,449	0.00	1,178,449	0.00
TITLE XIX-FEDERAL AND OTHER	840,282	0.00	1,000,000	0.00	1,821,551	0.00	1,821,551	0.00
TOTAL - EE	2,572,678	0.00	1,904,599	0.00	3,000,000	0.00	3,000,000	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	134,665,150	0.00	135,462,356	0.00	128,813,087	0.00	128,813,087	0.00
TITLE XIX-FEDERAL AND OTHER	219,800,383	0.00	237,506,381	0.00	228,157,640	0.00	228,157,640	0.00
THIRD PARTY LIABILITY COLLECT	230,000	0.00	1,770,976	0.00	1,906,107	0.00	1,906,107	0.00
HEALTH INITIATIVES	1,210,118	0.00	1,247,544	0.00	1,247,544	0.00	1,247,544	0.00
HFT-HEALTH CARE ACCT	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00	1,041,034	0.00
TOTAL - PD	356,946,685	0.00	377,028,291	0.00	361,165,412	0.00	361,165,412	0.00
<b>TOTAL</b>	<b>359,519,363</b>	<b>0.00</b>	<b>378,932,890</b>	<b>0.00</b>	<b>364,165,412</b>	<b>0.00</b>	<b>364,165,412</b>	<b>0.00</b>
<b>CtoC Supp Medicaid Programs - 1886001</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	11,756,291	0.00	11,756,291	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	18,922,966	0.00	18,922,966	0.00
TOTAL - PD	0	0.00	0	0.00	30,679,257	0.00	30,679,257	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>30,679,257</b>	<b>0.00</b>	<b>30,679,257</b>	<b>0.00</b>
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	5,613,799	0.00	5,613,799	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	9,035,990	0.00	9,035,990	0.00
TOTAL - PD	0	0.00	0	0.00	14,649,789	0.00	14,649,789	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>14,649,789</b>	<b>0.00</b>	<b>14,649,789</b>	<b>0.00</b>
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								

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# **FY07 Department of Social Services Report #9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHYSICIANS</b>								
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	942,591	0.00	942,591	0.00
TOTAL - PD	0	0.00	0	0.00	942,591	0.00	942,591	0.00
TOTAL	0	0.00	0	0.00	942,591	0.00	942,591	0.00
<b>GRAND TOTAL</b>	<b>\$359,519,363</b>	<b>0.00</b>	<b>\$378,932,890</b>	<b>0.00</b>	<b>\$410,437,049</b>	<b>0.00</b>	<b>\$410,437,049</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Physicians

Budget Unit Number: 90544C

## 1. CORE FINANCIAL SUMMARY

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE	1,178,449	1,821,551		3,000,000
PSD	128,813,087	228,157,640	4,194,685	361,165,412
<b>Total</b>	<b>129,991,536</b>	<b>229,979,191</b>	<b>4,194,685</b>	<b>364,165,412</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability Collections Fund (0120)  
Health Initiatives Funds (HIF) (0275)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE	1,178,449	1,821,551		3,000,000
PSD	128,813,087	228,157,640	4,194,685	361,165,412
<b>Total</b>	<b>129,991,536</b>	<b>229,979,191</b>	<b>4,194,685</b>	<b>364,165,412</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability Collections Fund (0120)  
Health Initiatives Funds (HIF) (0275)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)

## 2. CORE DESCRIPTION

This core request is for the ongoing funding for payments for physician-related services.

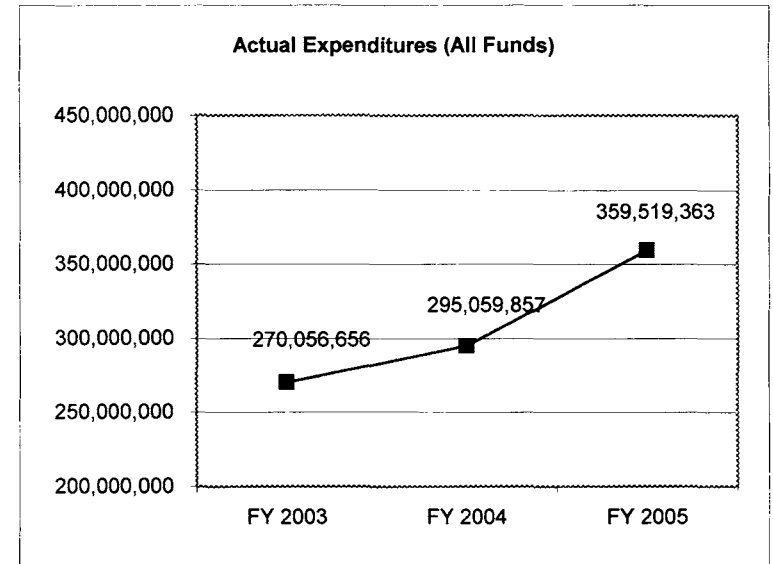
## 3. PROGRAM LISTING (list programs included in this core funding)

Physician-Related Services

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	270,064,952	295,097,283	361,200,768	378,932,890
Less Reverted (All Funds)	0	(37,426)	(37,426)	N/A
Budget Authority (All Funds)	270,064,952	295,059,857	361,163,342	N/A
Actual Expenditures (All Funds)	270,056,656	295,059,857	359,519,363	N/A
Unexpended (All Funds)	8,296	0	1,643,979	N/A
Unexpended, by Fund:				
General Revenue	4,750		2,109	N/A
Federal	3,546		1,870	N/A
Other			1,640,000	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Expenditures of \$85,859,361 were paid from the Supplemental Pool.

(2) Expenditures of \$60,051,457 were paid from the Supplemental Pool.

(3) Agency reserve of \$1,640,000 in TPL funds. Expenditures of \$66,614,598 were paid from the Supplemental Pool.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES  
PHYSICIANS**

**5. CORE RECONCILIATION**

		<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>								
		EE	0.00	904,599	1,000,000	0	1,904,599	
		PD	0.00	135,462,356	237,506,381	4,059,554	377,028,291	
		<b>Total</b>	<b>0.00</b>	<b>136,366,955</b>	<b>238,506,381</b>	<b>4,059,554</b>	<b>378,932,890</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#865]	PD	0.00	(942,591)	0	0	(942,591)	FMAP Adjustment
Core Reduction	[#875]	PD	0.00	(409,007)	(666,053)	(4,793)	(1,079,853)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF income limits. One month savings in FY 2007. OF is TPL.
Core Reduction	[#889]	PD	0.00	(4,314,298)	(7,034,271)	(55,891)	(11,404,460)	Savings from MAF Adults over TANF income limits leaving Medicaid rolls after up to one year federally required transitional benefit. OF is TPL.
Core Reduction	[#898]	PD	0.00	(269,065)	(435,865)	(1,726)	(706,656)	Annualize savings from MAWD program elimination. One month savings in FY 2007. OF is TPL.
Core Reduction	[#904]	PD	0.00	(175,549)	(285,327)	(1,716)	(462,592)	Annualize savings from Elderly/Disabled eligibility change from 100% of poverty to 85% of poverty. One month savings in FY 2007. OF is TPL.
Core Reduction	[#913]	PD	0.00	(64,909)	(105,674)	(743)	(171,326)	Annualize savings from elimination of podiatry services for adults (except visually impaired and pregnant women). One month savings. OF is TPL.
Core Reallocation	[#232]	EE	0.00	273,850	821,551	0	1,095,401	Reallocate funds for payment of Chronic Care Improvement Plan (CCIP) and Major Med PA (MMPA)
Core Reallocation	[#232]	PD	0.00	(273,850)	(821,551)	0	(1,095,401)	Reallocate funds for payment of Chronic Care Improvement Plan (CCIP) and Major Med PA (MMPA)
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(6,175,419)</b>	<b>(8,527,190)</b>	<b>(64,869)</b>	<b>(14,767,478)</b>	

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CORE RECONCILIATION

DEPARTMENT OF SOCIAL SERVICES

PHYSICIANS

5. CORE RECONCILIATION

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
DEPARTMENT CORE REQUEST							
	EE	0.00	1,178,449	1,821,551	0	3,000,000	
	PD	0.00	128,813,087	228,157,640	4,194,685	361,165,412	
	<b>Total</b>	<b>0.00</b>	<b>129,991,536</b>	<b>229,979,191</b>	<b>4,194,685</b>	<b>364,165,412</b>	
GOVERNOR'S RECOMMENDED CORE							
	EE	0.00	1,178,449	1,821,551	0	3,000,000	
	PD	0.00	128,813,087	228,157,640	4,194,685	361,165,412	
	<b>Total</b>	<b>0.00</b>	<b>129,991,536</b>	<b>229,979,191</b>	<b>4,194,685</b>	<b>364,165,412</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHYSICIANS</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	2,572,678	0.00	1,904,599	0.00	3,000,000	0.00	3,000,000	0.00
TOTAL - EE	2,572,678	0.00	1,904,599	0.00	3,000,000	0.00	3,000,000	0.00
PROGRAM DISTRIBUTIONS	356,946,685	0.00	377,028,291	0.00	361,165,412	0.00	361,165,412	0.00
TOTAL - PD	356,946,685	0.00	377,028,291	0.00	361,165,412	0.00	361,165,412	0.00
<b>GRAND TOTAL</b>	<b>\$359,519,363</b>	<b>0.00</b>	<b>\$378,932,890</b>	<b>0.00</b>	<b>\$364,165,412</b>	<b>0.00</b>	<b>\$364,165,412</b>	<b>0.00</b>
GENERAL REVENUE	\$136,397,546	0.00	\$136,366,955	0.00	\$129,991,536	0.00	\$129,991,536	0.00
FEDERAL FUNDS	\$220,640,665	0.00	\$238,506,381	0.00	\$229,979,191	0.00	\$229,979,191	0.00
OTHER FUNDS	\$2,481,152	0.00	\$4,059,554	0.00	\$4,194,685	0.00	\$4,194,685	0.00



## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Physicians**

**Program is found in the following core budget(s): Physicians**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Payment for services provided to fee for service Medicaid/MC+ recipients for physicians, psychologists, clinics, lab & x-ray, nurse midwife, podiatry, certified registered nurse anesthetist, anesthesiologist assistant, independent diagnostic testing facility, rural health clinic, nurse practitioner and federally qualified health centers.*

A general description of each of the Medicaid provider groups included in the Physician section follows:

Physician - Proper health care is essential to the general health and well-being of Title XIX recipients. Physicians, Doctors of Medicine (M.D.'s) and Doctors of Osteopathy (D.O.'s), are typically the front line providers where Medicaid clients enter the state's health care system. They provide a myriad of health care services and tie the various parts of the health care system together.

Physician services are those diagnostic, therapeutic, rehabilitative or palliative procedures provided by, and under the supervision of, a licensed physician who is practicing within the scope of practice allowed and is enrolled in the Missouri Medicaid program.

Physicians enrolled in the Missouri Medicaid program are identified in regards to the specialty of medicine they practice. Specialities include allergy immunology, anesthesiology, dermatology, emergency medicine, family practice, general practice, general surgery, internal medicine, laryngology, nuclear medicine, neurological surgery, obstetrics/gynecology, ophthalmology, otology, otolaryngology, orthopedic surgery, pathology, pediatrics, physical medicine and rehabilitation, plastic surgery, preventive medicine, proctology, psychiatry, neurology, radiation therapy, radiology, rectal and colon surgery, rehabilitative medicine, rhinology, thoracic surgery, urology and cardiology.

The Early Periodic Screening Diagnosis Treatment /Healthy Children and Youth (EPSDT/HCY) program provides services to non-MC+ managed care eligibles who are infant, children, and youth under the age of 21 years with a primary and preventive care focus. Full, partial and interperiodic health screenings, medical and dental examinations, immunizations and medically necessary treatment services are covered. The goal of the Missouri Medicaid program is for each child to be healthy. This is achieved by the primary care provider who manages a coordinated, comprehensive, continuous health care program to address the child's primary health care needs. The purpose of the EPSDT/HCY program is to insure a comprehensive, preventive health care program for Medicaid eligible children who are under the age of 21 years. The program provides early and periodic medical/dental screening, diagnosis, and treatment to correct or improve defects and chronic conditions found during the screening.

An EPSDT/HCY screening consists of a health and developmental history, unclothed physical examination, developmental assessment, immunization status including any needed immunizations, nutritional status, vision testing, hearing testing, laboratory procedures, dental status, anticipatory guidance, lead level screens (0-6 years), and referrals for follow-up care or evaluation of any abnormality detected. The full screen may be provided by a Medicaid participating: 1) physician or nurse practitioner including nurse midwives under their scope of practice or; 2) clinic or screening provider when the provider of the unclothed physical component of the screen is a physician or nurse practitioner. The periodicity schedule for EPSDT/HCY screening services is as follows:

Newborn (2-3 days); By one month; 2-3 months; 4-5 months; 6-8 months; 9-11 months; 12-14 months; 15-17 months; 18-23 months; 24 months; 3 years; 4 years; 5 years; 6-7 years; 8-9 years; 10-11 years; 12-13 years; 14-15 years; 16-17 years; 18-19 years; 20 years.

The services of a physician may be administered in a myriad of settings including the physician's office, the recipients home (or other place of residence such as a nursing facility), the hospital (inpatient/outpatient) or settings such as a medical clinic or ambulatory surgical care facility.

Services rendered by a physician, including appropriate supplies, are billable by the physician only where there is direct personal supervision by the physician. This applies to services rendered by auxiliary personnel employed by the physician and working under his on-site supervision such as nurses, non-physician anesthetists, technicians, therapists and other aides.

The majority of services provided by a physician are reimbursed on a fee schedule basis although a few services are reimbursed on a manual basis, whereby each procedure/claim is priced individually by a medical consultant based on the unique circumstances of the case. Certain procedures, such as organ transplants, are available only on a prior approval basis.

Psychotherapy is psychology services provided by psychologists for adults who receive services through the fee for service program.

Clinic - Clinics offer preventative, diagnostic, therapeutic, rehabilitative or palliative services that are furnished by a facility that is not part of a hospital but is organized and operated to provide medical care to outpatients. Services furnished to outpatients include those furnished at the clinic by, or under the direction of, a physician and those services furnished outside the clinic by clinic personnel under the direction of a physician.

Health care givers at a clinic can include physicians, nurse practitioners, radiologists and other health professionals whose services are offered at the clinic.

Medicaid reimbursement is made solely to the clinic. All health care professionals are employed by the clinic. Each provider of health care services through the clinic, in addition to being employed by the participating clinic, must be a Medicaid provider.

Lab & X-Ray - These providers are of two kinds, laboratory facilities and x-ray facilities. Laboratories perform examinations of body fluids, tissues or organs by the use of various methods employing specialized equipment such as electron microscopes and radio-immunoassay. A clinical laboratory is a laboratory where microbiological, serological, chemical, hematological, radio bioassay, cytological, immuno-hematological or pathological examinations are performed on material derived from the human body to provide information for the diagnosis, prevention or treatment of a disease or assessment of a medical condition. Typically the operations of a laboratory are directed by a pathologist.

X-ray facilities offer radiological services in which x-rays or rays from radioactive substances are used for diagnostic or therapeutic purposes. Such services include, but are not limited to radium therapy, the use of radioisotopes for diagnostic or therapeutic purposes (as in nuclear medicine) and diagnostic tests such as aortograms, pyelograms, myelograms, arteriograms and ventriculograms, and imaging services, x-rays, nuclear medicine and diagnostic ultra-sounds. Typically the operations of an x-ray facility are directed by a radiologist.

Both laboratories and x-ray clinics are reimbursed on a fee schedule basis.

Nurse Midwife - Nurse Midwife services are those services related to the management and provision of care to a pregnant woman and her unborn/newborn infant by a non-physician. These services may be provided throughout the maternity cycle which includes pregnancy, labor and delivery and the initial postpartum period not to exceed six weeks. Covered services include antepartum care, delivery, post-partum care, newborn care, office visits, laboratory services and other services within the scope of practice of a nurse midwife. If there is any indication the maternity care is not for a normal uncomplicated delivery, the nurse midwife must refer the case to a physician.

Nurse midwives may also provide care outside of the maternity cycle such as family planning, counseling, birth control techniques and well-woman gynecological care including routine pap smears and breast examinations (Section 13605, OBRA 93). Nurse midwife services may also include services to the newborn, age 0 through 2 months and any other Medicaid eligible female, age 15 and over.

Services furnished by a nurse midwife must be within the scope of practice authorized by federal and state laws or regulations and, in the case of inpatient or outpatient hospital services or clinic services, furnished by or under the direction of a nurse midwife only to the extent permitted by the facility.

In order to qualify for participation in the Missouri Medicaid Nurse Midwife program, in addition to provisions required of all Medicaid providers, the applicant must hold a valid current license as an advanced practice nurse (RN) in the state of Missouri and be currently certified as a Nurse Midwife by the American College of Nurse Midwives.

The services of a nurse midwife may be administered in a variety of settings including the providers' office, a hospital (inpatient or outpatient), the home of the recipient (delivery and newborn care only) or a birthing center. Reimbursement for nurse midwife services made on a fee-for-service basis are determined as follows: the Medicaid maximum allowable fee for any particular procedure has been determined by the Division of Medical Services to be a reasonable fee, consistent with efficiency, economy and quality of care. Medicaid payment for covered services are the lower of the provider's actual billed charge, based on his/her usual and customary charge to the general public for the service, or the Medicaid maximum allowable amount per unit of service. The level of reimbursement to the Nurse Midwife is the same as that reimbursed to a physician for the same procedure.

Podiatry - Podiatrists provide medical, surgical and mechanical services for the foot or any area not above the ankle joint and receive Medicaid reimbursement for diagnostic, therapeutic, rehabilitative and palliative services which are within the scope of practice the podiatrist is authorized to perform. Most services provided by a podiatrist are reimbursed on a fee schedule basis although a few services are reimbursed on a manual basis, whereby each procedure/claim is priced individually by a medical consultant based on the unique circumstances of the case.

The following podiatry services are not covered for Adults (except individuals under a category of assistance for pregnant women or the blind or nursing facility residents): trimming of nondystrophic nails, any number; debridement of nail(s) by any method(s) one to five; debridement of nail(s) by any method(s) six or more; excision of nail and nail matrix, partial or complete; and strapping of ankle and /or foot.

The services of a podiatrist may be administered in a myriad of settings including the podiatrist's office, the recipient's home (or other place of residence such as a nursing facility), the hospital (inpatient/outpatient) or settings such as a medical clinic or ambulatory surgical care facility.

Certified Registered Nurse Anesthetist (CRNA) - CRNA services are those services related to the introduction and management of a substance into the body by external or internal means that causes loss of sensation (feeling) with or without loss of consciousness. In order to qualify for participation in the Missouri Medicaid Certified Registered Nurse Anesthetist program, in addition to provisions required of all Medicaid providers, the applicant must hold a valid current license as an advanced practice nurse (RN), or nurse practitioner, in the state of Missouri and be currently certified as a CRNA by the Council on Certification of Nurse Anesthetists.

Reimbursement for CRNA services are made on a fee-for-service basis. The services of a CRNA may be administered in a variety of settings including the providers' office, a hospital, nursing home or clinic and include the same scope of practice as that of an anesthesiologist. Typically, CRNAs are employed by physicians (anesthesiologists), but are not required to be.

Anesthesiologist Assistant (AA) - These providers assist the anesthesiologist in developing and implementing the anesthesia care plan. This may include collecting preoperative data, performing various preoperative tasks, such as the insertion of intravenous and arterial catheters, if necessary, performing airway management and drug administration for induction and maintenance of anesthesia, assisting in the administering and monitoring of regional and peripheral nerve blockage, administering supportive therapy, adjusting anesthetic levels, performing intraoperative monitoring, and providing recovery room care. Anesthesiologist Assistants must work under the supervision of an anesthesiologist.

Independent Diagnostic Testing Facility (IDTF) - These providers are independent of a hospital or a physician's office and offer medically necessary diagnostic tests. The IDTF may be a fixed location or a mobile entity. An IDTF must have one or more supervising physicians who are responsible for the direct and ongoing oversight of the quality of the testing performed, the proper operation and calibration of the equipment used to perform tests, and the qualification of non-physician personnel who use the equipment.

Rural Health Clinic (RHC) - The Rural Health Clinic Services Act of 1977 designated a new health care provider, Rural Health Clinics. The Act became effective for Medicaid reimbursement on July 1, 1978. The Rural Health Clinic Services Act of 1977 extended benefits to cover health care services to under-served rural areas where access to traditional physician care has been difficult. In those areas, specifically trained practitioners furnish the health care services needed by the community.

Rural Health Clinics must be located in a rural area that is designated a shortage area for primary care. To be eligible for this designation, a clinic must be located in an area not identified as "urbanized" by the Bureau of the Census and designated as a shortage or under-served area in one of the following ways:

- ♦ An area with a shortage of personal health services under Section 30(b)(3) or 330(b)(3) of the Public Health Service Act (PHS);
- ♦ As a Health Professional Shortage Area (HPSA) designated under Section 332(a)(1)(A) of the PHS Act;
- ♦ An area which includes a population group designated as having a health professional shortage under Section 332(a)(1)(B) of the PHS Act;
- ♦ An area designated by the chief executive officer (Governor) of the State and certified by the Secretary of Health and Human Services as an area with a shortage of personal health services.

In addition to the above criteria, RHC's must meet the additional Staffing and Health and Safety Requirements set forth by the Rural Health Clinic Services Act. To be a Missouri Medicaid RHC, a clinic must be certified by the Public Health Service, be certified for participation in Medicare and be enrolled as a Medicaid provider. The RHC is then designated as either Independent or Provider-Based.

In order to be designated Provider-Based, an RHC must be an integral and subordinate part of a hospital, skilled nursing facility or home health agency. The Provider-Based RHC must also be under common licensure, governance and professional supervision with its parent provider. Hospital-based RHC's are reimbursed the lower of 100% of their usual and customary charges or their cost-to-charge ratio. The skilled nursing facility and home health agency based RHC's are reimbursed their usual and customary charges multiplied by the lower of the Medicare RHC rate or the rate approved by the Division of Medical Services.

An independent RHC has no financial, organizational or administrative connection to a hospital, skilled nursing facility or home health agency. They are reimbursed the lesser of their reasonable costs divided by total encounter or the Medicare upper payment limit and multiplied by the number of Medicaid encounters. An annual audit of the Medicare cost report is reviewed by the Institutional Reimbursement Unit (IRU) within the Division of Medical Services.

Nurse Practitioner - A nurse practitioner, or advanced practice nurse, is one who has had education beyond the basic nursing education and is certified by a nationally recognized professional organization as having a nursing specialty, or who meets criteria for advanced practice nurses established by the Missouri Board of Nursing. The Board of Nursing may promulgate rules specifying which professional nursing organization certifications are to be recognized as advanced practice nurses and may set standards for education, training and experience required for those without such specialty certification to become advanced practice nurses.

Numerous specialties are recognizable such as family nurse practitioner (NP), gerontology NP, clinical NP, obstetrics/GYN NP, neonatal NP and certified registered nurse anesthetists. Reimbursement for nurse practitioner services are made on a fee-for-service basis. The level of reimbursement to the Nurse Practitioner is the same as that reimbursed to a physician for the same procedure. Nurse practitioners, or advanced practical nurses may prescribe medications only through a collaborative agreement with a physician.

Nurse practitioner services involve the performance for compensation of any act which requires substantial specialized education, judgment, and skill based on knowledge and application of principles derived from the biological, physical, social and nursing sciences, including: a) responsibility for the teaching of health care and the prevention of illness to the patient and his family; b) assessment, nursing diagnosis, nursing care, and counsel of persons who are ill, injured or experiencing alterations in normal health processes; c) administration of medications and treatments as prescribed by a person licensed in this state to prescribe such medications and treatments; and d) coordination and assistance in the delivery of a plan of health care with all members of the health team.

The services of a nurse practitioner may be administered in a variety of settings including the providers' office, a hospital, nursing home or clinic. Typically, nurse practitioners are employed by physicians, but are not required to be.

Federally Qualified Health Clinic (FQHC) - The Federally Qualified Health Center (FQHC) program was established by the Omnibus Budget Reconciliation Acts of 1989 (OBRA 89) and 1990 (OBRA 90). These laws designated certain community-based health care organizations as unique health care providers called Federally Qualified Health Centers. These laws establish a set of FQHC health care services that Medicaid and Medicare must cover for those beneficiaries who receive services from the FQHC and require the reimbursement of reasonable cost to the FQHC for such services.

By passing the FQHC legislation, Congress recognized two goals of the FQHC program:

- ♦ To provide adequate reimbursement to community-based primary health care organizations (FQHCs) so that they, in turn, may better serve large numbers of Medicaid recipients and/or provide more services, thus improving access to primary care.
- ♦ To enable FQHCs to use other resources previously subsidizing Medicaid to serve uninsured individuals who, although not eligible for Medicaid, have a difficult time obtaining primary care because of economic or geographic barriers.

In order to qualify for FQHC status, a facility must receive or be eligible for a grant under Section 329, 330 or 340 of the Public Health Service Act, meet the requirements for receiving such a grant, or have been a Federally Funded Health Center as of January 1, 1990.

FQHC services are reimbursed on the interim at 97% of billed Medicaid FQHC covered charges. An annual audit of the Medicaid cost report is performed by the Institutional Reimbursement Unit (IRU) to determine reasonable costs. A settlement is made to adjust the reimbursement to 100% of the reasonable costs to provide Medicaid FQHC covered services.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.153, 208.166; Federal law: Social Security Act Sections 1905(a)(2), (3), (5), (6), (9), (17), (21); 1905(r) and 1915(d); Federal regulations: 42 CFR 440.210, 440.500, 412.113(c) and 441 Subpart B.

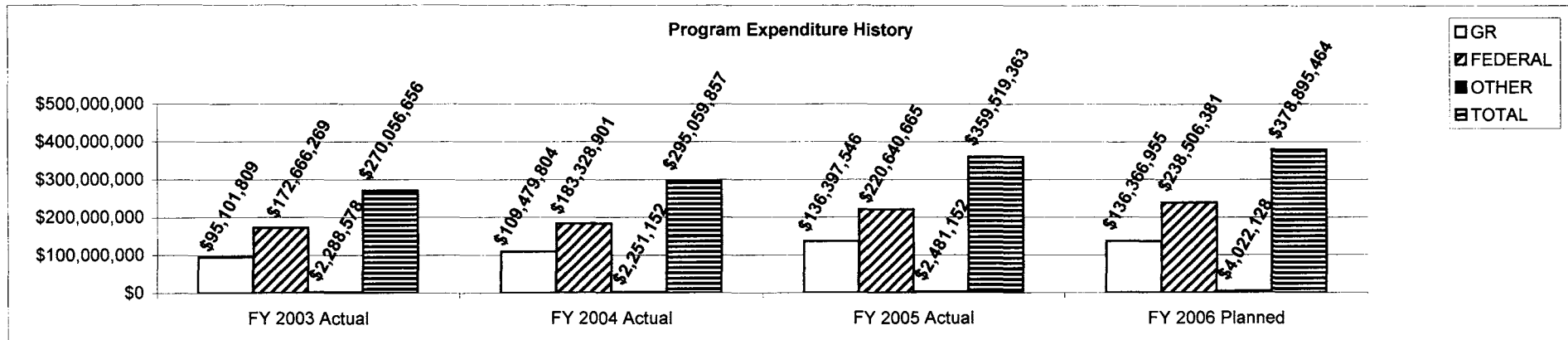
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

Yes, if the state elects to have a Medicaid program. (Some services are optional: podiatry, clinics, nurse practitioners and certified nurse anesthetist.)

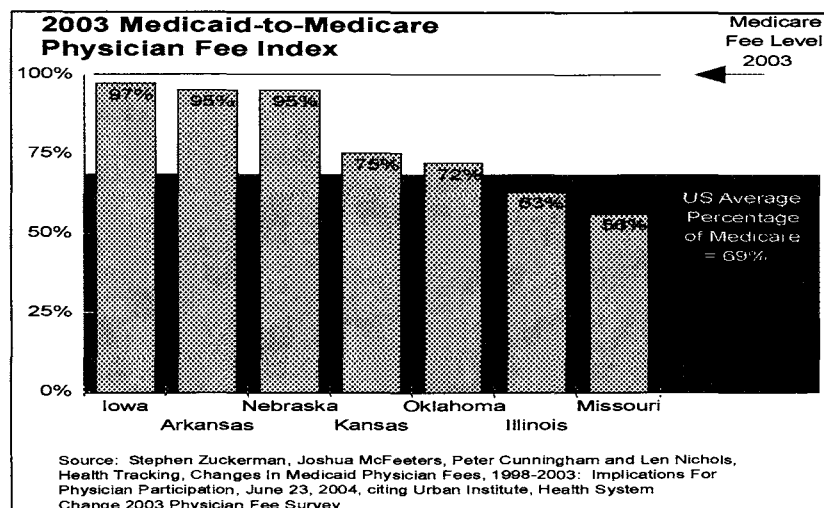
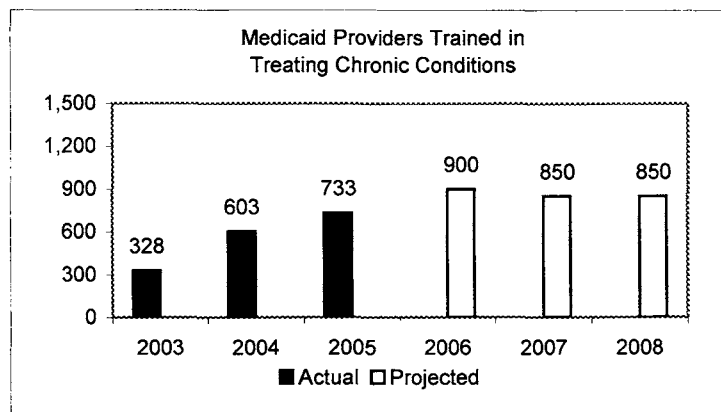
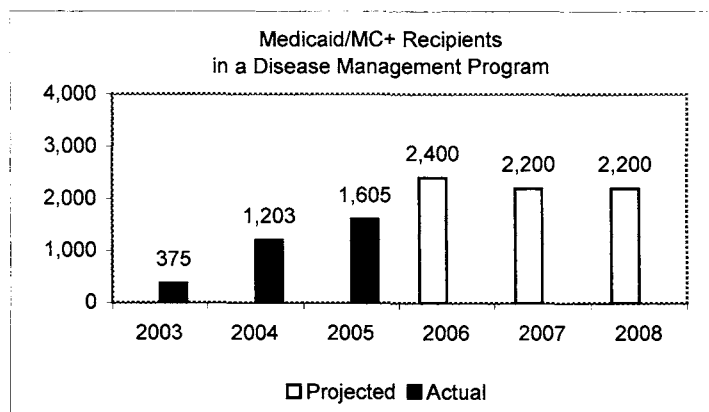
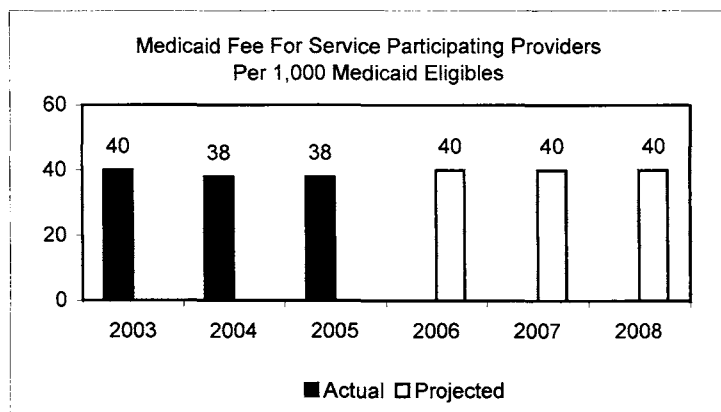
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Third Party Liability Collections Fund (0120), Health Initiatives Fund (0275) and Healthy Families Trust Fund-Health Care Account (0640)

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Physician services are available to fee for service Medicaid/MC+ eligibles. In the regions of the state where MC+ managed care has been implemented, enrollees have physician services available through the MC+ managed care health plan.

Average Monthly Physician Users		
SFY	Actual	Projected
2003	194,310	
2004	209,756	
2005	232,693	228,424
2006		233,020
2007		242,796
2008		269,121

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DENTAL</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	12,193,775	0.00	2,934,135	0.00	1,821,346	0.00	1,821,346	0.00
TITLE XIX-FEDERAL AND OTHER	20,078,940	0.00	6,355,215	0.00	4,516,746	0.00	4,516,746	0.00
HEALTH INITIATIVES	69,027	0.00	71,162	0.00	71,162	0.00	71,162	0.00
HFT-HEALTH CARE ACCT	848,773	0.00	848,773	0.00	848,773	0.00	848,773	0.00
TOTAL - PD	33,190,515	0.00	10,209,285	0.00	7,258,027	0.00	7,258,027	0.00
<b>TOTAL</b>	<b>33,190,515</b>	<b>0.00</b>	<b>10,209,285</b>	<b>0.00</b>	<b>7,258,027</b>	<b>0.00</b>	<b>7,258,027</b>	<b>0.00</b>
<b>CtoC Supp Medicaid Programs - 1886001</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	687,020	0.00	687,020	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	1,105,830	0.00	1,105,830	0.00
TOTAL - PD	0	0.00	0	0.00	1,792,850	0.00	1,792,850	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,792,850</b>	<b>0.00</b>	<b>1,792,850</b>	<b>0.00</b>
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	26,307	0.00	26,307	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	42,344	0.00	42,344	0.00
TOTAL - PD	0	0.00	0	0.00	68,651	0.00	68,651	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>68,651</b>	<b>0.00</b>	<b>68,651</b>	<b>0.00</b>
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	47,320	0.00	47,320	0.00
TOTAL - PD	0	0.00	0	0.00	47,320	0.00	47,320	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>47,320</b>	<b>0.00</b>	<b>47,320</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$33,190,515</b>	<b>0.00</b>	<b>\$10,209,285</b>	<b>0.00</b>	<b>\$9,166,848</b>	<b>0.00</b>	<b>\$9,166,848</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Dental

Budget Unit Number: 90546C

## 1. CORE FINANCIAL SUMMARY

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE				
PSD	1,821,346	4,516,746	919,935	7,258,027
Total	1,821,346	4,516,746	919,935	7,258,027
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Health Initiatives Funds (HIF) (0275)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE				
PSD	1,821,346	4,516,746	919,935	7,258,027
Total	1,821,346	4,516,746	919,935	7,258,027
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Health Initiatives Funds (HIF) (0275)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)

## 2. CORE DESCRIPTION

This core request is for the continued funding of the dental fee-for-service program. Funding provides dental services for children, pregnant women, the blind, and nursing facility residents in the defined non-managed care Medicaid population.

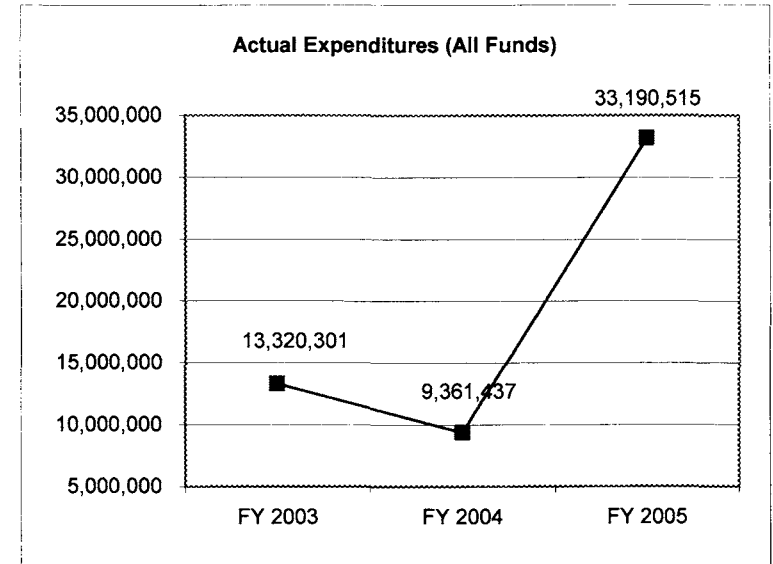
## 3. PROGRAM LISTING (list programs included in this core funding)

Dental Services

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	13,321,312	9,363,572	33,192,650	10,209,285
Less Reverted (All Funds)		(2,135)	(2,135)	N/A
Budget Authority (All Funds)	13,321,312	9,361,437	33,190,515	N/A
Actual Expenditures (All Funds)	13,320,301	9,361,437	33,190,515	N/A
Unexpended (All Funds)	1,011	0	0	N/A
Unexpended, by Fund:				
General Revenue	392			N/A
Federal	619			N/A
Other				N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) FY03 funding cut for adult dental services - services continued through a court order. Expenditures of \$12,859,685 were paid from the Supplemental Pool.

(2) FY04 funding cut for adult dental services - services continued through a court order. Expenditures of \$22,786,492 were paid from the Supplemental Pool.

(3) Expenditures of \$5,246,342 were paid from the Supplemental pool in FY05.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**

**DENTAL**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	2,934,135	6,355,215	919,935	10,209,285	
		<b>Total</b>	<b>0.00</b>	<b>2,934,135</b>	<b>6,355,215</b>	<b>919,935</b>	<b>10,209,285</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#866]	PD	0.00	0	(47,320)	0	(47,320)	FMAP Adjustment
Core Reduction	[#876]	PD	0.00	(79,411)	(127,820)	0	(207,231)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF income limits. One month savings in FY 2007.
Core Reduction	[#899]	PD	0.00	(29,399)	(47,321)	0	(76,720)	Annualize savings from MAWD program elimination. One month saving in FY 2007.
Core Reduction	[#905]	PD	0.00	(13,769)	(22,163)	0	(35,932)	Annualize savings from Elderly/Disabled eligibility change from 100% of poverty to 85% of poverty. One month savings in FY 2007.
Core Reduction	[#914]	PD	0.00	(990,210)	(1,593,845)	0	(2,584,055)	Annualize savings from elimination of dental services for adults (except visually impaired and pregnant women). One month savings in FY 2007.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(1,112,789)</b>	<b>(1,838,469)</b>	<b>0</b>	<b>(2,951,258)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	1,821,346	4,516,746	919,935	7,258,027	
		<b>Total</b>	<b>0.00</b>	<b>1,821,346</b>	<b>4,516,746</b>	<b>919,935</b>	<b>7,258,027</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	1,821,346	4,516,746	919,935	7,258,027	
		<b>Total</b>	<b>0.00</b>	<b>1,821,346</b>	<b>4,516,746</b>	<b>919,935</b>	<b>7,258,027</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DENTAL								
CORE								
PROGRAM DISTRIBUTIONS	33,190,515	0.00	10,209,285	0.00	7,258,027	0.00	7,258,027	0.00
TOTAL - PD	33,190,515	0.00	10,209,285	0.00	7,258,027	0.00	7,258,027	0.00
GRAND TOTAL	\$33,190,515	0.00	\$10,209,285	0.00	\$7,258,027	0.00	\$7,258,027	0.00
GENERAL REVENUE	\$12,193,775	0.00	\$2,934,135	0.00	\$1,821,346	0.00	\$1,821,346	0.00
FEDERAL FUNDS	\$20,078,940	0.00	\$6,355,215	0.00	\$4,516,746	0.00	\$4,516,746	0.00
OTHER FUNDS	\$917,800	0.00	\$919,935	0.00	\$919,935	0.00	\$919,935	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Dental**

**Program is found in the following core budget(s): Dental**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payment for dental services for fee for service Medicaid/MC+ recipients eligible for dental services.*

Dental services are typically those diagnostic, preventative and corrective procedures provided by a licensed dentist or dental hygienist performing within his/her scope of practice. The dentist must be enrolled in the Missouri Medicaid program. Generally, dental services include: treatment of the teeth and associated structure of the oral cavity; preparation, fitting and repair of dentures and associated appliances; and treatment of disease, injury or impairments that affect the general oral health of a recipient.

To participate in the Medicaid/MC+ program, a dentist must be licensed by the Missouri Dental Board and have a signed Title XIX Participation Agreement. The services of a dentist may be administered in a variety of settings including the provider's office, a hospital, nursing home or clinic. The fees paid to the provider are based on Maximum Allowable Amounts identified on a fee schedule. Prior authorization is required for certain services, such as orthodontic treatment, composite resin crowns, metallic and porcelain/ceramic inlay restorations, high noble metal crowns, etc.

Effective September 1, 2005, Missouri Medicaid will only cover dental services for adults (except individuals under a category of assistance for pregnant women or the blind or nursing facility residents) if the dental care is related to trauma of the mouth, jaw, teeth or other contiguous sites as a result of injury or for treatment of a disease/medical condition without which the health of the individual would be adversely affected. These services require a prior authorization. Dental Services for children ages 20 and under remain unchanged.

Covered services under the dental program include, but are not limited to, examinations, prophylaxis, fluoride treatments, extractions, anesthesia, crowns, dentures (full or partial), denture adjustments or repairs, denture duplication or reline, injections, oral surgery, periodontic treatment (in limited cases), pulp treatment, restorations, root canal therapy and x-rays. Orthodontic services, the field of dentistry associated with the correction of abnormally positioned or misaligned teeth, are available only to those eligibles age 20 and under for the most handicapping malocclusions.

A copayment, a portion of the providers' charges paid by the recipient, is required on many dental services. Recipients under age 19, hospice recipients, recipients who reside in nursing facilities, residential care facilities, psychiatric hospitals or adult boarding homes, and recipients age 18-21 in foster care are exempt from copayments. The copayment, in accordance with title 42 Code of Federal Regulations part 447.54, is based on the lesser of the provider's usual charge for the service or the Maximum Allowable Amount. The copayment is \$.50 for charges of \$10.00 or less, \$1.00 for \$10.01 to \$25.00, \$2.00 for \$25.01 to \$50.00 and \$3.00 for charges of \$50.01 or more. Reimbursement for services to individuals not subject to the copayment is determined by adding together the maximum allowable amount plus one-half the recipient cost share amount listed for the procedure. This formula represents the minimum amount allowed for the procedure code. Reimbursement is made at the lower of the providers billed amount or the Maximum Allowed less any TPL.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State: RSMo. 208.152, 208.166; Federal law: Social Security Act Section 1905(a)(10); Federal regulation: 42 CFR 440.100

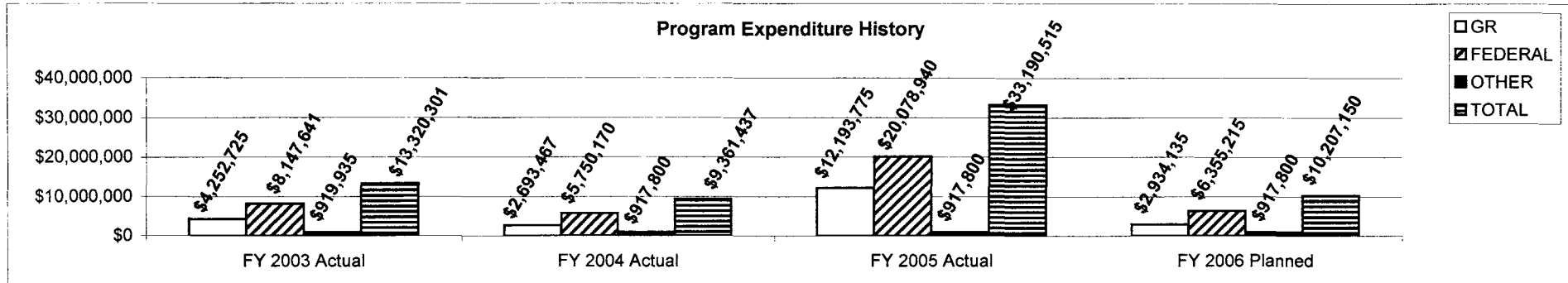
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

No for adults. Yes for children.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**

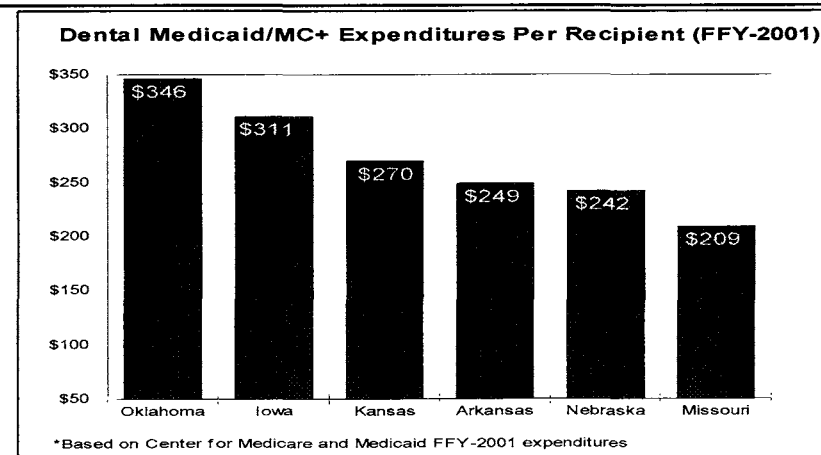
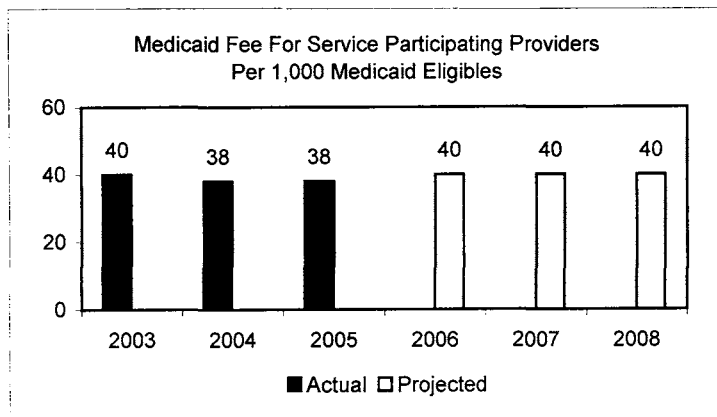


Note: FY03 and FY04 appropriation was cut to eliminate adult dental services. Services were restored and payments for adult dental were paid from the Medicaid supplemental pool.

**6. What are the sources of the "Other" funds?**

Health Initiatives Fund (0275) and Healthy Families Trust Fund-Health Care Account (0640)

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

**Eligibles:**

Dental services are available to all Medicaid eligibles\*. Limited benefits are available for General Relief eligibles, Qualified Medicare Beneficiaries (QMBs) and 1115 Waiver Adults. In the regions of the state where MC+ managed care has been implemented, child enrollees have dental services available through the MC+ managed care health plans.

\*Effective September 1, 2005 dental services are available only to children, pregnant women, the blind, and nursing facility residents. Dental services are available to other adults if the dental care is related to trauma or a disease/medical condition.

Users of Dental Services Average/Month		
SFY	Actual	Projected
2003	10,183	N/A
2004	13,496	11,284
2005	16,039	15,624
2006		7,293
2007		3,706
2008		3,780

Average Cost/Service		
SFY	Actual	Projected
2003	\$44.08	N/A
2004	\$43.43	\$44.20
2005	\$43.45	\$44.14
2006		\$39.87
2007		\$39.07
2008		\$39.46

Average Units/Service Average/Month		
SFY	Actual	Projected
2003	3.87	N/A
2004	3.88	4.19
2005	4.07	4.50
2006		4.15
2007		4.24
2008		4.33

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	36,876,481	0.00	47,564,950	0.00	47,434,387	0.00	47,434,387	0.00
TITLE XIX-FEDERAL AND OTHER	59,482,474	0.00	78,273,091	0.00	78,001,177	0.00	78,001,177	0.00
TOTAL - PD	96,358,955	0.00	125,838,041	0.00	125,435,564	0.00	125,435,564	0.00
<b>TOTAL</b>	<b>96,358,955</b>	<b>0.00</b>	<b>125,838,041</b>	<b>0.00</b>	<b>125,435,564</b>	<b>0.00</b>	<b>125,435,564</b>	<b>0.00</b>
<b>Medicaid Caseload Growth - 1886003</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	2,021,165	0.00	2,021,165	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	3,253,274	0.00	3,253,274	0.00
TOTAL - PD	0	0.00	0	0.00	5,274,439	0.00	5,274,439	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>5,274,439</b>	<b>0.00</b>	<b>5,274,439</b>	<b>0.00</b>
<b>Medicare Premium Increases - 1886007</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	5,885,874	0.00	5,885,874	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	9,472,041	0.00	9,472,041	0.00
TOTAL - PD	0	0.00	0	0.00	15,357,915	0.00	15,357,915	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>15,357,915</b>	<b>0.00</b>	<b>15,357,915</b>	<b>0.00</b>
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	61,759	0.00	61,759	0.00
TOTAL - PD	0	0.00	0	0.00	61,759	0.00	61,759	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>61,759</b>	<b>0.00</b>	<b>61,759</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$96,358,955</b>	<b>0.00</b>	<b>\$125,838,041</b>	<b>0.00</b>	<b>\$146,129,677</b>	<b>0.00</b>	<b>\$146,129,677</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Premium Payments

Budget Unit Number: 90547C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	47,434,387	78,001,177		125,435,564
Total	47,434,387	78,001,177		125,435,564
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	47,434,387	78,001,177		125,435,564
Total	47,434,387	78,001,177		125,435,564
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

## 2. CORE DESCRIPTION

This core request is for the ongoing funding for premium payments for health insurance through the following Medicaid programs: Medicare Buy-In and the Health Insurance Premium Payment (HIPP) program.

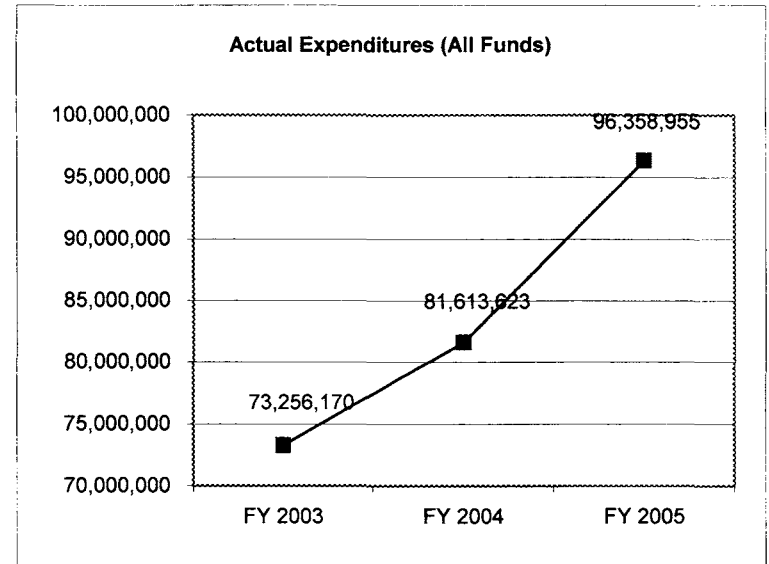
## 3. PROGRAM LISTING (list programs included in this core funding)

Premium Payments Program:  
Medicare Part A and Part B Buy-In  
Health Insurance Premium Payment (HIPP) Program

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	73,257,506	81,613,623	96,359,288	125,838,041
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	73,257,506	81,613,623	96,359,288	N/A
Actual Expenditures (All Funds)	73,256,170	81,613,623	96,358,955	N/A
Unexpended (All Funds)	1,336	0	333	N/A
Unexpended, by Fund:				
General Revenue	518	0	129	N/A
Federal	818	0	204	N/A
Other	0	0	0	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

- (1) Expenditures of \$798,847 were paid from the Supplemental Pool.
- (2) Expenditures of \$3,708,058 were paid from the Supplemental Pool.
- (3) Expenditures of \$6,926,710 were paid from the Supplemental Pool.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**

**PREMIUM PAYMENTS**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	47,564,950	78,273,091	0	125,838,041	
		<b>Total</b>	<b>0.00</b>	<b>47,564,950</b>	<b>78,273,091</b>	<b>0</b>	<b>125,838,041</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#867]	PD	0.00	0	(61,759)	0	(61,759)	FMAP Adjustment
Core Reduction	[#877]	PD	0.00	(5,102)	(8,212)	0	(13,314)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF income limits. One month savings in FY 2007.
Core Reduction	[#892]	PD	0.00	(50,020)	(80,513)	0	(130,533)	Savings from MAF Adults over TANF income limits leaving Medicaid rolls after up to one year federally required transitional benefit.
Core Reduction	[#906]	PD	0.00	(75,441)	(121,430)	0	(196,871)	Annualize savings from Elderly/Disabled eligibility change from 100% of poverty to 85% of poverty. One month savings in FY 2007.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(130,563)</b>	<b>(271,914)</b>	<b>0</b>	<b>(402,477)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	47,434,387	78,001,177	0	125,435,564	
		<b>Total</b>	<b>0.00</b>	<b>47,434,387</b>	<b>78,001,177</b>	<b>0</b>	<b>125,435,564</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	47,434,387	78,001,177	0	125,435,564	
		<b>Total</b>	<b>0.00</b>	<b>47,434,387</b>	<b>78,001,177</b>	<b>0</b>	<b>125,435,564</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PREMIUM PAYMENTS								
CORE								
PROGRAM DISTRIBUTIONS	96,358,955	0.00	125,838,041	0.00	125,435,564	0.00	125,435,564	0.00
TOTAL - PD	96,358,955	0.00	125,838,041	0.00	125,435,564	0.00	125,435,564	0.00
GRAND TOTAL	\$96,358,955	0.00	\$125,838,041	0.00	\$125,435,564	0.00	\$125,435,564	0.00
GENERAL REVENUE	\$36,876,481	0.00	\$47,564,950	0.00	\$47,434,387	0.00	\$47,434,387	0.00
FEDERAL FUNDS	\$59,482,474	0.00	\$78,273,091	0.00	\$78,001,177	0.00	\$78,001,177	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Premium Payments

Program is found in the following core budget(s): Premium Payments

### 1. What does this program do?

*PROGRAM SYNOPSIS: This program pays for health insurance premiums for eligible recipients. Payments include premiums for Medicare Part A, Medicare Part B and group health insurance premiums provided under the Health Insurance Premium Payment (HIPP) program. Payment of these premiums transfers medical costs from Medicaid to Medicare and other payers.*

#### Buy-In:

The Buy-in Program allows states to enroll certain groups of eligible individuals in the Medicare program and pay their premiums. The purpose of buy-in is to permit the state, as part of its total assistance plan, to provide Medicare protection to certain groups of eligible individuals. It transfers medical costs from the Title XIX Medicaid program to the Medicare program - Title XVIII. This process allows the state to realize cost savings through substitution of Medicare liability for the majority of the medical costs before Medicaid reimburses for the services. There are two types of buy-in agreements - "1634 agreements" and "209b". States with "1634 agreements" have the same Medicaid eligibility standards as the Supplemental Security Income (SSI) program. States with more restrictive eligibility standards for Medicaid are "209b" states. The "209b" states make their own buy-in determinations. Missouri is a 209b state.

The Medicare program is divided into two parts - Part A and Part B. Part A covers hospital, skilled nursing facility, home health, and hospice care. There are deductibles and coinsurance, but most people do not pay premiums for Part A. There is no premium for workers (and their spouse) who have at least ten years of Social Security covered employment. Services covered under Part B are doctors' services, outpatient hospital services, durable medical equipment, home health care, and other medical services. Part B has premiums, deductibles, and coinsurance amounts that the individual is responsible for paying. Premium, deductible and coinsurance amounts are set each year based on formulas established by law. New payment amounts are set each January 1.

The buy-in for Part A began in FY 90 (September 1989). The Part B buy-in has been a Medicaid service since January 1968.

#### Health Insurance Premium Payment:

The Health Insurance Premium Payment (HIPP) program is a program that pays for the cost of health insurance premiums, coinsurance, and deductibles. The program pays for health insurance for Medicaid eligibles when it is "cost effective". "Cost effective" means that it costs less to buy health insurance to cover medical care than to pay for the same services with Medicaid funds. Cost effectiveness is determined by comparing the cost of the medical coverage (includes premium payments, coinsurance, and deductibles) with the average cost of each Medicaid-eligible person in the household. The average cost of each Medicaid recipient is based on the previous year's Medicaid expenditures with like demographic data - age, sex, geographic location (county), type of assistance (MAF, OAA, and disabled), and the types of services covered by the group insurance. The HIPP program has been a Medicaid program since September 1992.

The HIPP program will remain beneficial in a managed care environment. The emphasis will shift more to the "high risk" or "high utilizer" populations. Recipients in this group would at some point reach a "stop loss" situation with the managed care plan and revert to total Medicaid dollars (not just a capitated fee). By "buying in" the recipients when insurance is available, the private insurance will pay for their care instead of the Medicaid program.

Provisions of OBRA 90 require states to purchase group health insurance (such as a job based plan) for a Medicaid recipient (who is eligible to enroll for the coverage) when it is more cost-effective to buy health insurance to cover medical care than to pay for an equivalent set of services with Medicaid funds.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.153; Federal law: Social Security Act Section 1905(p)(1), 1902(a)(10) and 1906; Federal Regulation: 42 CFR 406.26 and 431.625

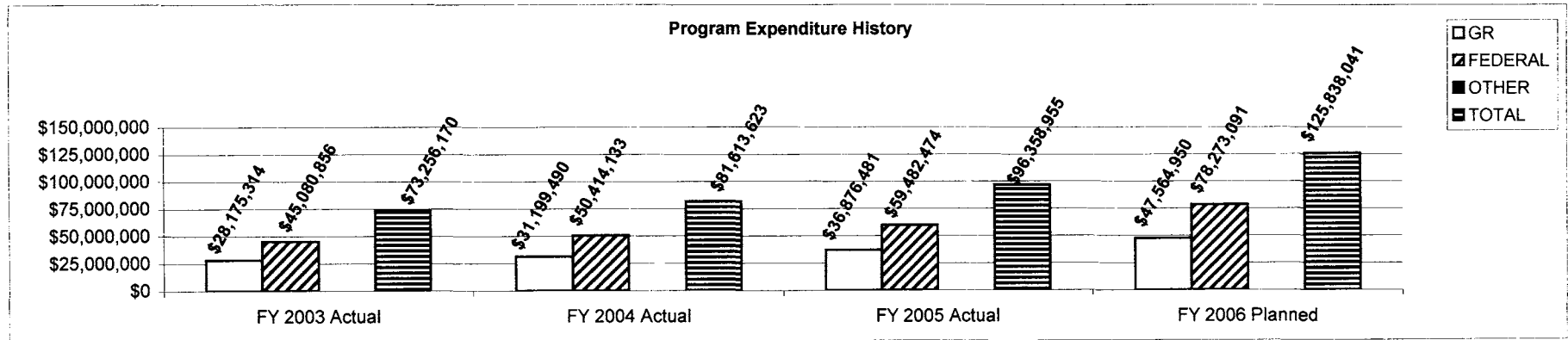
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

Yes, if the state elects to have a Medicaid program.

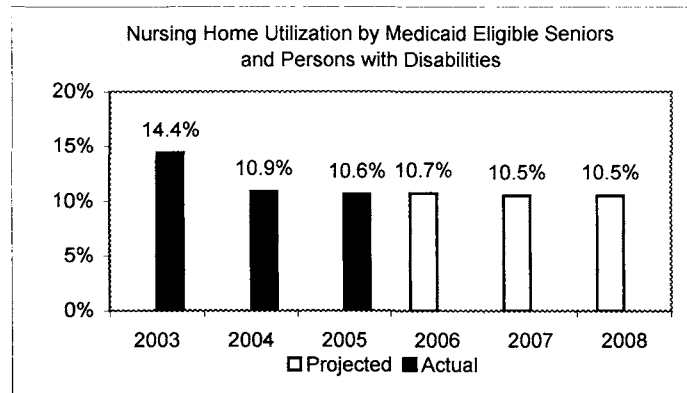
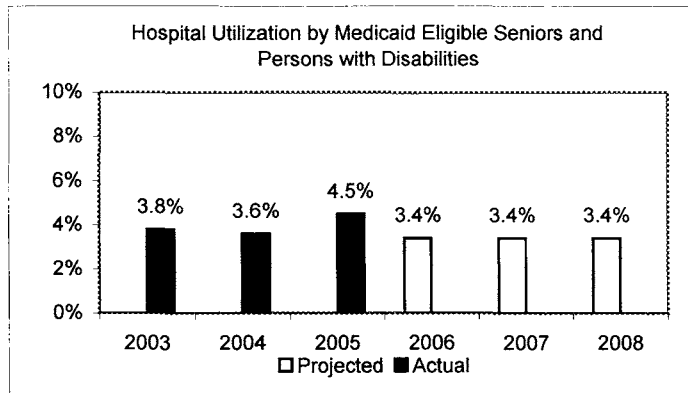
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

HIPP Cost Avoidance		
SFY	Actual	Projected
2003	\$2.52 Mil	N/A
2004	\$1.93 Mil	N/A
2005	\$2.55 Mil	N/A
2006		\$2.50 Mil
2007		\$2.50 Mil
2008		\$2.50 Mil

**7c. Provide the number of clients/individuals served, if applicable.**

Recipients Receiving Premium Payment						
	Part A		Part B		HIPP	
SFY	Actual	Projected	Actual	Projected	Actual	Projected
2003	684	686	96,443	95,325	*	*
2004	735	690	101,096	98,322	*	*
2005	792	766	106,394	105,480	7,953	*
2006		855		111,714		8,351
2007		923		117,300		8,769
2008		997		123,165		9,208

\*Not Available

Eligibles:

▪ Part A (Hospital) premium payment can be made for:

- Qualified Medicare Beneficiaries (QMBs)
- Qualified Disabled Working Individuals

▪ Part B (Medical) premium payment can be made for:

- Individuals that meet certain income standards
- Qualified Medicare Beneficiaries (QMBs)
- Specified Low-Income Medicare Beneficiaries

▪ HIPP:

- Provisions of OBRA 90 require states to purchase group health insurance for a Medicaid recipient when it is more cost effective to buy health insurance to cover medical care than to pay for an equivalent set of *services with Medicaid funds*.

**7d. Provide a customer satisfaction measure, if available.**

**NEW DECISION ITEM**  
**RANK: 13**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: Medicare Premium Increases**

**Budget Unit Number: 60547C**

**DI#: 886007**

**1. AMOUNT OF REQUEST**

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE				
PSD	5,885,874	9,472,041		15,357,915
<b>Total</b>	<b>5,885,874</b>	<b>9,472,041</b>		<b>15,357,915</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE				
PSD	5,885,874	9,472,041		15,357,915
<b>Total</b>	<b>5,885,874</b>	<b>9,472,041</b>		<b>15,357,915</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input checked="" type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funding is requested for anticipated Medicare Part A and Part B increases.*

Federal law mandates that the Medicare Part A and Part B premiums cover a certain percentage of the cost of the Medicare program. Medicare Part A and Part B premiums are adjusted each January. In FY07, Part A premiums are estimated to be \$412 which consists of FY06 - \$393 plus a \$19.00 increase. In FY07, Part B premiums are estimated to be \$100.16 which consists of FY 06 - \$88.50 plus a \$11.66 increase. The Federal Authority is Social Security Act Section 1905(p)(1), 1902(a)(10), and 1906 and Federal Regulations 42 CFR 406.26 and 431.625. State Authority is 208.153.

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**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The request is for six months of funding for the calendar year 2006 premium increases and six months of funding for the expected calendar year 2007 premium increases.

Projected eligibles are based on historical data. The projected premium increases are based on the average increases in premiums over the last few years as well as other information sources.

The federal matching rate used for increases for the period July 2006 through September 2006 is 61.93%. The federal matching rate used for increases for the period October 2006 through June 2007 is 61.60%.

	Part A	Part B
Eligibles per month (FY06)	846	111,969
Eligibles per month (FY07)	904	117,836
Premium Increase 1/06	\$18	\$10.30
Premium Increase 1/07	\$19	\$11.66
<u>Calendar Year 2006 Increase:</u>		
Average eligibles per month	846	111,969
Premium increase for 2006	\$18	\$10.30
Number of months of increase	6	6
Projected increase 7/06 -12/06	\$91,368	\$6,919,684
<u>Calendar Year 2007 Increase:</u>		
Average eligibles per month	904	117,836
Premium increase for 2007	\$19	\$11.66
Number of months of increase	6	6
Projected increase 1/07 - 6/07	\$103,056	\$8,243,807
Total	\$194,424	\$15,163,491

GRAND TOTAL

\$15,357,915

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
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Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
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Total EE	0		0		0		0		0
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Program Distributions	5,885,874		9,472,041				15,357,915		
Total PSD	5,885,874		9,472,041		0		15,357,915		0

Grand Total	5,885,874	0.0	9,472,041	0.0	0	0.0	15,357,915	0.0	0
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**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
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Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
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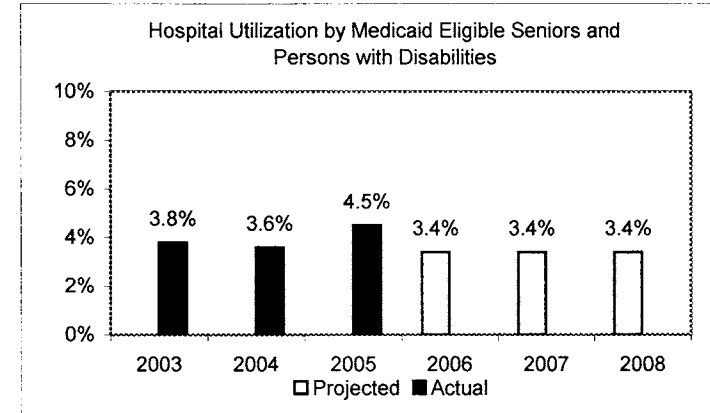
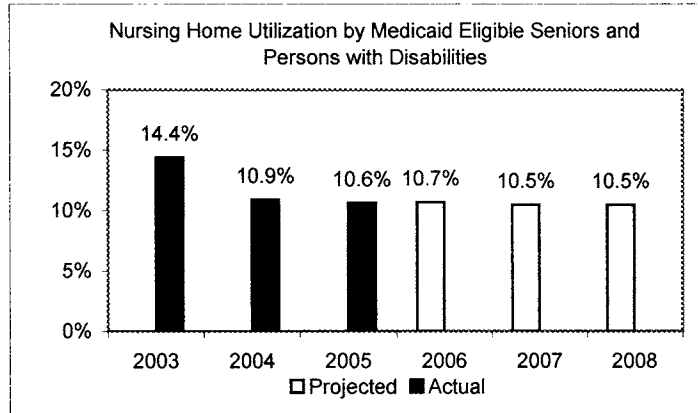
Total EE	0		0		0		0		0
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Program Distributions	5,885,874		9,472,041				15,357,915		
Total PSD	5,885,874		9,472,041		0		15,357,915		0

Grand Total	5,885,874	0.0	9,472,041	0.0	0	0.0	15,357,915	0.0	0
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**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**

**6c. Provide the number of clients/individuals served, if applicable.**

Recipients Receiving Medicare Premium Payment				
SFY	Part A		Part B	
	Actual	Projected	Actual	Projected
2003	684	686	96,443	95,325
2004	735	690	101,096	98,322
2005	792	766	106,394	105,480
2006		855		111,714
2007		904		117,836
2008		997		123,165

Eligibles:

- Part A (Hospital) premium payment can be made for:
  - Qualified Medicare Beneficiaries (QMBs)
  - Qualified Disabled Working Individuals
- Part B (Medical) premium payment can be made for:
  - Individuals that meet certain income standards
  - Qualified Medicare Beneficiaries (QMBs)
  - Specified Low-Income Medicare Beneficiaries

**6d. Provide a customer satisfaction measure, if available.**

## **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Identify, develop and analyze processes with stakeholders for the Medicaid seniors and disabled population to determine, measure and monitor recipient population health status.
- Identify, assess and monitor the impact of barriers to care resulting in increased hospitalizations by analyzing feedback from recipients and providers.
- Identify utilization baseline and population cohorts of high volume users and providers.
- Develop and utilize measures to analyze health outcomes.
- Implement time line for removal or amelioration of barriers to improved health status.
- Develop and implement a Comprehensive Chronic Illness Management program.
- Work with the Department of Health and Senior Services (DHSS) and Personal Independence Commission (PIC) to develop outreach materials and training on providing informed choice about long term care options.
- Make training available to hospital discharge planners regarding community options by incorporating it into the Informed Choice Training program.
- Plan a process that would allow an individual discharged from the hospital to a nursing home (for recovery) to maintain existing community supports to ensure best possible chance of returning to the community.
- Work to make program modifications that allow an array of options which support consumer choice in community based service delivery.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
<b>Medicare Premium Increases - 1886007</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	15,357,915	0.00	15,357,915	0.00
TOTAL - PD	0	0.00	0	0.00	15,357,915	0.00	15,357,915	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$15,357,915</b>	<b>0.00</b>	<b>\$15,357,915</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$5,885,874	0.00	\$5,885,874	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$9,472,041	0.00	\$9,472,041	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



## FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITIES</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	100,790,642	0.00	102,585,653	0.00	100,436,825	0.00	100,436,825	0.00
TITLE XIX-FEDERAL AND OTHER	286,416,373	0.00	270,226,830	0.00	265,361,373	0.00	265,361,373	0.00
UNCOMPENSATED CARE FUND	58,516,478	0.00	58,516,478	0.00	58,516,478	0.00	58,516,478	0.00
THIRD PARTY LIABILITY COLLECT	1,093,433	0.00	2,293,103	0.00	2,292,981	0.00	2,292,981	0.00
INTERGOVERNMENTAL TRANSFER	17,125,000	0.00	0	0.00	0	0.00	0	0.00
NURSING FACILITY FED REIM ALLW	1,072,284	0.00	1,072,122	0.00	1,072,064	0.00	1,072,064	0.00
HFT-HEALTH CARE ACCT	17,973	0.00	17,973	0.00	17,973	0.00	17,973	0.00
TOTAL - PD	465,032,183	0.00	434,712,159	0.00	427,697,694	0.00	427,697,694	0.00
<b>TOTAL</b>	<b>465,032,183</b>	<b>0.00</b>	<b>434,712,159</b>	<b>0.00</b>	<b>427,697,694</b>	<b>0.00</b>	<b>427,697,694</b>	<b>0.00</b>
<b>CtoC Supp Medicaid Programs - 1886001</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	14,515,349	0.00	14,515,349	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	23,363,954	0.00	23,363,954	0.00
TOTAL - PD	0	0.00	0	0.00	37,879,303	0.00	37,879,303	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>37,879,303</b>	<b>0.00</b>	<b>37,879,303</b>	<b>0.00</b>
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	2,130,726	0.00	2,130,726	0.00
TOTAL - PD	0	0.00	0	0.00	2,130,726	0.00	2,130,726	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>2,130,726</b>	<b>0.00</b>	<b>2,130,726</b>	<b>0.00</b>
<b>Annualize TPL from TEFRA Liens - 1886029</b>								
PROGRAM-SPECIFIC								
THIRD PARTY LIABILITY COLLECT	0	0.00	0	0.00	300,000	0.00	300,000	0.00
TOTAL - PD	0	0.00	0	0.00	300,000	0.00	300,000	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>300,000</b>	<b>0.00</b>	<b>300,000</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$465,032,183</b>	<b>0.00</b>	<b>\$434,712,159</b>	<b>0.00</b>	<b>\$468,007,723</b>	<b>0.00</b>	<b>\$468,007,723</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Nursing Facilities

Budget Unit Number: 90549C

## 1. CORE FINANCIAL SUMMARY

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE				
PSD	100,436,825	265,361,373	61,899,496	427,697,694
Total	100,436,825	265,361,373	61,899,496	427,697,694
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Uncompensated Care (0108)  
Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)  
Third Party Liability (0120)

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE				
PSD	100,436,825	265,361,373	61,899,496	427,697,694
Total	100,436,825	265,361,373	61,899,496	427,697,694
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Uncompensated Care (0108)  
Nursing Facility Federal Reimbursement Allowance (NFFRA) (0196)  
Healthy Families Trust Fund-Health Care Account (HFTF) (0640)  
Third Party Liability (0120)

## 2. CORE DESCRIPTION

This core is for ongoing funding for payments for long-term nursing care for Medicaid (Title XIX) recipients.

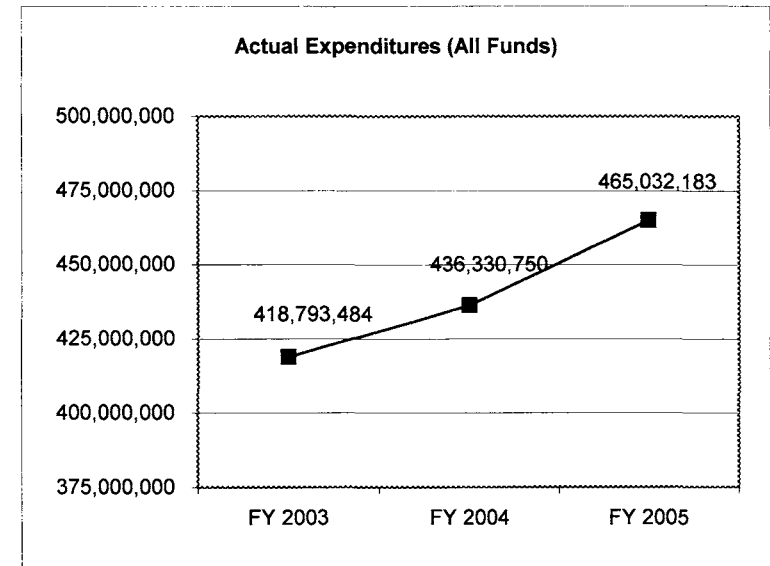
## 3. PROGRAM LISTING (list programs included in this core funding)

Nursing Facilities

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	425,793,933	446,053,834	469,007,183	434,712,159
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	425,793,933	446,053,834	469,007,183	N/A
Actual Expenditures (All Funds)	418,793,484	436,330,750	465,032,183	N/A
Unexpended (All Funds)	7,000,449	9,723,084	3,975,000	N/A
Unexpended, by Fund:				
General Revenue	174	0	0	N/A
Federal	275	895,931	0	N/A
Other	7,000,000	8,827,153	3,975,000	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Agency reserve of \$7,000,000 - NFRA Tax. There was no cash to support the NFRA authority. Expenditures of \$4,267,871 were paid from the Supplemental Pool.

(2) Agency reserve of \$7,000,000 - NFRA Tax. There was no cash to support the NFRA authority. This authority was core cut from the FY 2005 budget. Lapse of \$1,827,153 is IGT. There was no cash to support the IGT authority. The IGT authority was cut from the FY 2006 budget. Expenditures totaling \$380,000 were paid from the Supplemental Pool.

(3) Agency reserve of \$3,975,000 - TPL and IGT. There was no cash to support the NFRA authority. Expenditures of \$10,488,972 were paid from the Supplemental

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**

**NURSING FACILITIES**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	102,585,653	270,226,830	61,899,676	434,712,159	
		<b>Total</b>	<b>0.00</b>	<b>102,585,653</b>	<b>270,226,830</b>	<b>61,899,676</b>	<b>434,712,159</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Transfer Out	[#3192]	PD	0.00	(150,000)	0	0	(150,000)	Transfer NORC funding to DHSS
Core Reduction	[#868]	PD	0.00	0	(2,130,726)	0	(2,130,726)	FMAP Adjustment
Core Reduction	[#878]	PD	0.00	(1,296)	(2,125)	(24)	(3,445)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF income limits. One month savings in FY 2007. OF are NFFRA and TPL.
Core Reduction	[#893]	PD	0.00	(6,394)	(10,509)	(135)	(17,038)	Savings from MAF Adults over TANF income limits leaving Medicaid rolls after up to one year federally required transitional benefit. OF are TPL and NFFRA.
Core Reduction	[#900]	PD	0.00	(1,171)	(1,920)	(21)	(3,112)	Annualize savings from MAWD program elimination. One month savings in FY 2007. OF are TPL and NFFRA.
Core Reduction	[#912]	PD	0.00	(300,000)	0	0	(300,000)	Annualize savings from TEFRA liens. 9 months savings in FY 2007. There is a new decision item request to replace GR with TPL funds generated from TEFRA liens.
Core Reduction	[#983]	PD	0.00	(1,689,967)	(2,720,177)	0	(4,410,144)	Savings from increase in patient surplus.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(2,148,828)</b>	<b>(4,865,457)</b>	<b>(180)</b>	<b>(7,014,465)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	100,436,825	265,361,373	61,899,496	427,697,694	
		<b>Total</b>	<b>0.00</b>	<b>100,436,825</b>	<b>265,361,373</b>	<b>61,899,496</b>	<b>427,697,694</b>	

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES**

**NURSING FACILITIES**

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**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	100,436,825	265,361,373	61,899,496	427,697,694	
	<b>Total</b>	<b>0.00</b>	<b>100,436,825</b>	<b>265,361,373</b>	<b>61,899,496</b>	<b>427,697,694</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITIES</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	465,032,183	0.00	434,712,159	0.00	427,697,694	0.00	427,697,694	0.00
TOTAL - PD	465,032,183	0.00	434,712,159	0.00	427,697,694	0.00	427,697,694	0.00
<b>GRAND TOTAL</b>	<b>\$465,032,183</b>	<b>0.00</b>	<b>\$434,712,159</b>	<b>0.00</b>	<b>\$427,697,694</b>	<b>0.00</b>	<b>\$427,697,694</b>	<b>0.00</b>
GENERAL REVENUE	\$100,790,642	0.00	\$102,585,653	0.00	\$100,436,825	0.00	\$100,436,825	0.00
FEDERAL FUNDS	\$286,416,373	0.00	\$270,226,830	0.00	\$265,361,373	0.00	\$265,361,373	0.00
OTHER FUNDS	\$77,825,168	0.00	\$61,899,676	0.00	\$61,899,496	0.00	\$61,899,496	0.00



## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Nursing Facilities**

**Program is found in the following core budget(s): Nursing Facilities**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payment for long term nursing care for Medicaid recipients.*

This program provides long-term institutional care for Title XIX Medicaid recipients. In SFY 05, an average of 500 nursing homes were enrolled in the Medicaid program with an average of 25,677 recipients per month. Nursing facility care users are 2.6% of the total Medicaid eligibles. However, the nursing facility program comprises almost 15% of the total program dollars.

Payment is based on a per diem. A per diem rate is established for each nursing home by the Institutional Reimbursement Unit (IRU) of the Division of Medical Services. During the SFY 05 legislative session, SB 539 was passed which provides for the calculation of rates based on 2001 cost reports.

The current reimbursement methodology is based on a cost component system. The components are patient care, ancillary, administrative, and capital. A working capital allowance, incentives and the Nursing Facility Reimbursement Allowance (NFRA) are also elements of the total reimbursement rate. Patient care includes nursing, medical supplies, activities, social services, and dietary costs. Ancillary services are therapies, barber and beauty shop, laundry, and housekeeping. Administrative includes plant operation costs and administrative costs. Capital costs are reimbursed through a fair rental value methodology. The capital component includes five types of costs: rental value, return, computed interest, borrowing costs and pass through expenses. Property insurance and property/personal taxes (the pass through expenses) are the only part of the capital component that is trended. The working capital allowance per diem rate is equal to 1.1 months of the total of the facility's per diem rates for the patient care, ancillary and administration cost components times the prime rate plus 2 percent. There are three incentives which are paid to qualified facilities to encourage patient care expenditures and cost efficiencies in ancillary and administrative. The patient care incentive is 10% of a facility's patient care costs up to a maximum of 130% of the patient care median. The ancillary incentive is paid to all facilities whose costs are below the ceiling rate. The amount is one-half the difference between certain parameters. The multiple component incentive is allowed for facilities whose patient care and ancillary costs are between 60 - 80% of total costs and an additional amount is allowed for facilities with high Medicaid utilization. The current NFRA is also included in the total reimbursement rate since it is an allowable Medicaid cost.

The reimbursement system is a prospective system. Once the rate is established on a given cost report year, it will not change until the rates are rebased on another cost report year. This rate may be adjusted for global per diem rate adjustment, such as trends, which are granted to the industry as a whole and are applied to the previously established rate.

Providers are reimbursed based on the Medicaid eligible residents' days of care multiplied by the facility's Title XIX per diem less any patient surplus amount. The amount of money the Title XIX recipient contributes to his or her nursing home care is called patient surplus. The patient surplus is based upon the recipient's income and expenses. The amount of the patient surplus is calculated by a Family Support Division caseworker. The gross income (usually a Social Security benefit check) of the recipient is adjusted for the following: personal standard (this is the amount the recipient may keep for personal use; it is currently \$30); an allotment (this is the money allocated for use by the community spouse or dependent children); and medical deductions (Medicare premiums or private medical insurance premiums that the recipient pays for his own medical coverage). The remainder is the patient surplus. The recipient and the nursing facility are notified of the amount of the patient surplus by the Family Support Division. The nursing home provider is responsible for obtaining the patient surplus from the recipient.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Section 1905(a)(4); Federal Regulations: 42 CFR 440.40 and 440.210

**3. Are there federal matching requirements? If yes, please explain.**

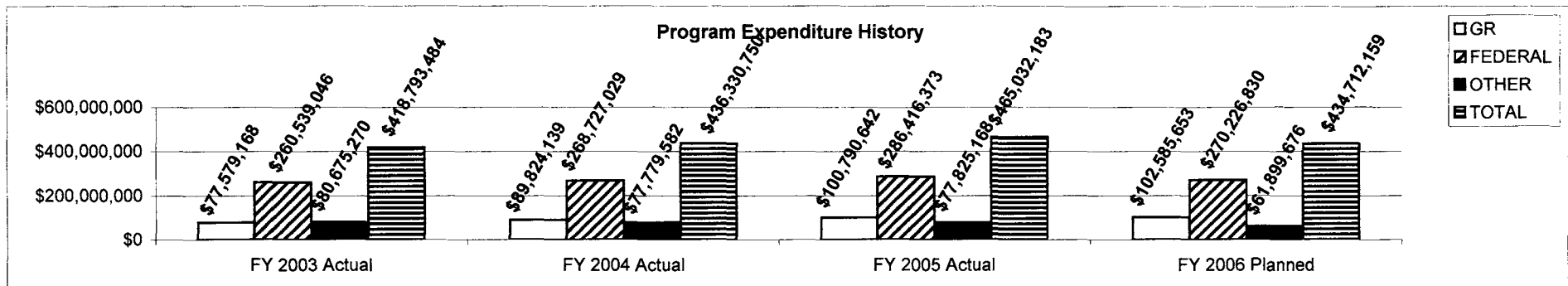
States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

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**4. Is this a federally mandated program? If yes, please explain.**

Yes, for people over age 21.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**

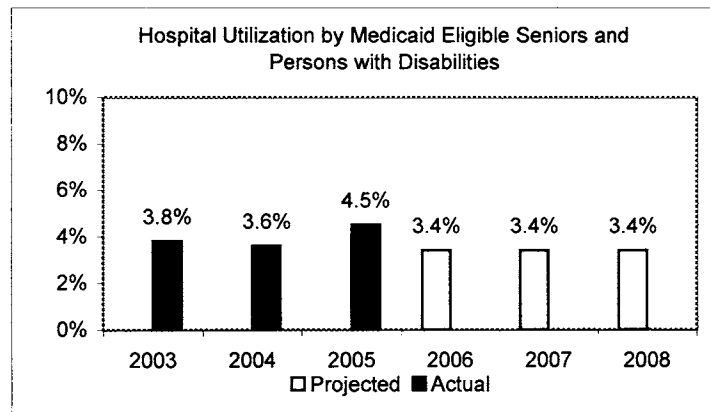
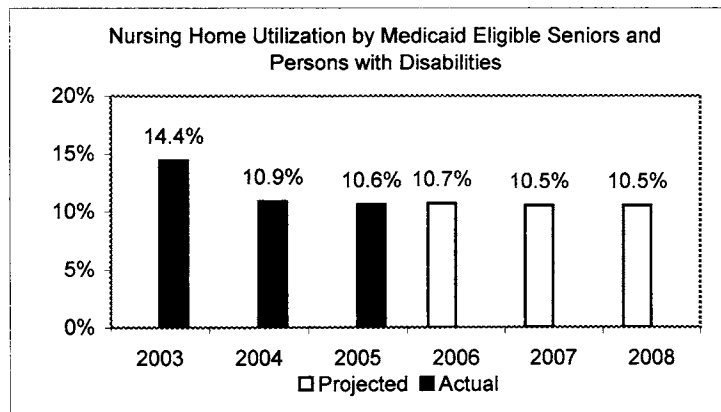


**6. What are the sources of the "Other" funds?**

Uncompensated Care Fund (0108), Nursing Facility Federal Reimbursement Allowance (0196), Healthy Families Trust Fund-Health Care Account (0640), Third Party Liability Collections Fund (0120) and Intergovernmental Transfer Fund (0139) not available in FY 06.

**7a. Provide an effectiveness measure.**

Nursing Facility Occupancy		
SFY	Actual	Projected
2003	73.3%	
2004	72.5%	
2005	72.8%	
2006		72.8%
2007		72.8%
2008		73.0%



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Average Monthly Medicaid Nursing Facility Users		
SFY	Actual	Projected
2003	24,970	26,674
2004	24,694	25,469
2005	25,677	24,500
2006		26,447
2007		26,447
2008		26,447

Paid Patient Days		
SFY	Actual	Projected
2003	9.1 mil	9.3 mil
2004	8.9 mil	9.2 mil
2005	8.9 mil	9.1 mil
2006		9.0 mil
2007		9.0 mil
2008		9.1 mil

**7d. Provide a customer satisfaction measure, if available.**

**NEW DECISION ITEM  
RANK: 32**

**Department: Social Services**  
**Division: Medical Services**  
**DI Name: Annualized TPL from TEFRA Liens**

**Budget Unit Number: 90549C**

**DI#: 886029**

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD			300,000	300,000
Total			300,000	300,000
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability Collections Fund (0120)

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD			300,000	300,000
Total			300,000	300,000
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Third Party Liability Collections Fund (0120)

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: TPL Collections Pick-Up	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: General Revenue was cut from the Nursing Facility core to account for the expected collections of TEFRA liens that will be deposited into the TPL Collections Fund. Request is for TPL funds to replace the General Revenue.*

The Federal Authority for TEFRA liens is Social Security Act Section 1917(a)-(b); 42 CFR 433, Subpart D. The State Authority is RSMo.208.215.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

During the 2005 legislative session, SB 539 was passed that gave the department the authority to enforce TEFRA liens as authorized by federal law and regulation on permanently institutionalized individuals. Permanently institutionalized individuals include those people who the department determines cannot reasonably be expected to be discharged and returned home. The lien does not affect ownership of the property, but the lien must be satisfied at the time the property is sold or transferred.

General Revenue was cut from the Nursing Facility core to account for the expected collections of TEFRA liens that will be deposited in the TPL Collections Fund. Request is for TPL funds to replace this General Revenue (Nursing Facility).

<b>5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.</b>									
<b>Budget Object Class/Job Class</b>	<b>Dept Req GR DOLLARS</b>	<b>Dept Req GR FTE</b>	<b>Dept Req FED DOLLARS</b>	<b>Dept Req FED FTE</b>	<b>Dept Req OTHER DOLLARS</b>	<b>Dept Req OTHER FTE</b>	<b>Dept Req TOTAL DOLLARS</b>	<b>Dept Req TOTAL FTE</b>	<b>Dept Req One-Time DOLLARS</b>
<b>Total PS</b>	0	0.0	0	0.0	0	0.0	0	0.0	0
<b>Total EE</b>	0		0		0		0		0
Program Distributions					300,000		300,000		
<b>Total PSD</b>	0		0		300,000		300,000		0
<b>Grand Total</b>	0	0.0	0	0.0	300,000	0.0	300,000	0.0	0

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS

Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions					300,000		300,000		
Total PSD	0		0		300,000		300,000		0
Grand Total	0	0.0	0	0.0	300,000	0.0	300,000	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

TEFRA Savings State Portion		
SFY	Actual	Projected
2003	N/A	
2004	N/A	
2005	N/A	
2006		\$100,000
2007		\$400,000
2008		\$400,000

TEFRA Liens result of SB 539; first year SFY06

**6b. Provide an efficiency measure.**

Cash Recoveries by DMS Staff		
SFY	Actual	Projected
2003	\$16.6 mil	N/A
2004	\$19.2 mil	\$12.5 mil
2005	\$24.6 mil	\$21 mil
2006		\$23.60
2007		\$23.60
2008		\$23.60

**6c. Provide the number of clients/individuals served, if applicable.**

**6d. Provide a customer satisfaction measure, if available.**

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Identify properties of permanently institutionalized individuals and follow-up with TEFRA liens when appropriate.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITIES</b>								
Annualize TPL from TEFRA Liens - 1886029								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	300,000	0.00	300,000	0.00
TOTAL - PD	0	0.00	0	0.00	300,000	0.00	300,000	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$300,000</b>	<b>0.00</b>	<b>\$300,000</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$300,000	0.00	\$300,000	0.00



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>HOME HEALTH-PACE</b>									
<b>CORE</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	4,234,177	0.00	4,234,177	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	7,071,764	0.00	7,071,764	0.00	
HEALTH INITIATIVES	0	0.00	0	0.00	159,305	0.00	159,305	0.00	
TOTAL - PD	0	0.00	0	0.00	11,465,246	0.00	11,465,246	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>11,465,246</b>	<b>0.00</b>	<b>11,465,246</b>	<b>0.00</b>	
<b>Medicaid Caseload Growth - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	133,620	0.00	133,620	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	215,074	0.00	215,074	0.00	
TOTAL - PD	0	0.00	0	0.00	348,694	0.00	348,694	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>348,694</b>	<b>0.00</b>	<b>348,694</b>	<b>0.00</b>	
<b>In-Home Rate Increase - 1886031</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	45,659	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	0	0.00	73,493	0.00	
TOTAL - PD	0	0.00	0	0.00	0	0.00	119,152	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>119,152</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$11,813,940</b>	<b>0.00</b>	<b>\$11,933,092</b>	<b>0.00</b>	

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Home Health and PACE

Budget Unit Number: 90564C

## 1. CORE FINANCIAL SUMMARY

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE				
PSD	4,234,177	7,071,764	159,305	11,465,246
Total	4,234,177	7,071,764	159,305	11,465,246
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE				
PSD	4,234,177	7,071,764	159,305	11,465,246
Total	4,234,177	7,071,764	159,305	11,465,246
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

## 2. CORE DESCRIPTION

This core request is for ongoing funding for payments for services provided through the home health and PACE programs. These programs are designed to help a Medicaid recipient remain in their home instead of seeking institutional care.

## 3. PROGRAM LISTING (list programs included in this core funding)

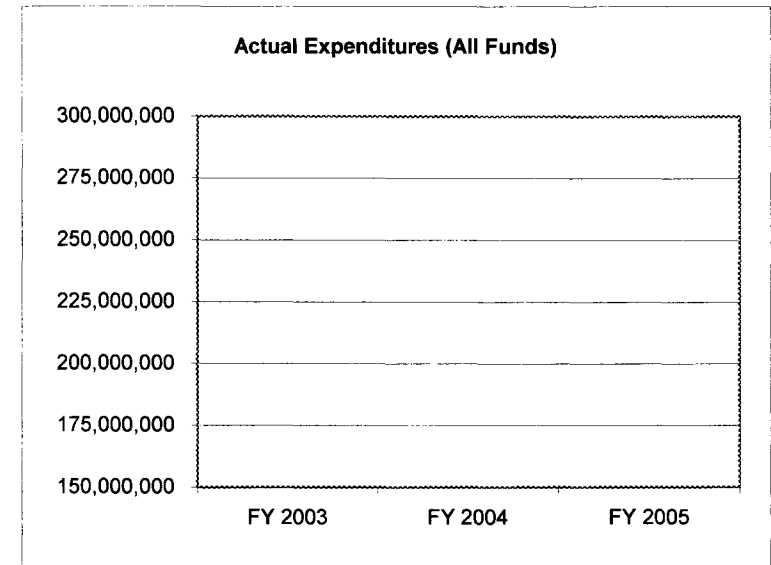
Home Health Services and Programs for All-inclusive Care for the Elderly (PACE)

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)				0
Less Reverted (All Funds)				N/A
Budget Authority (All Funds)	0	0	0	N/A
Actual Expenditures (All Funds)				N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue				N/A
Federal				N/A
Other				N/A

(1)



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Funding for the Home and Community Based program was transferred to DHSS in FY 2006. The FY 2007 core request is to transfer components of the Home and Community Based program not managed by DHSS back to DSS. This includes the Home Health and PACE programs.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**

**HOME HEALTH-PACE**

**5. CORE RECONCILIATION**

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>DEPARTMENT CORE ADJUSTMENTS</b>							
Transfer In	[#984] PD	0.00	4,234,177	7,071,764	159,305	11,465,246	Transfer in funding for home health and PACE programs from the Department of Health and Senior Services.
<b>NET DEPARTMENT CHANGES</b>		<b>0.00</b>	<b>4,234,177</b>	<b>7,071,764</b>	<b>159,305</b>	<b>11,465,246</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PD	0.00	4,234,177	7,071,764	159,305	11,465,246	
	<b>Total</b>	<b>0.00</b>	<b>4,234,177</b>	<b>7,071,764</b>	<b>159,305</b>	<b>11,465,246</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	4,234,177	7,071,764	159,305	11,465,246	
	<b>Total</b>	<b>0.00</b>	<b>4,234,177</b>	<b>7,071,764</b>	<b>159,305</b>	<b>11,465,246</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOME HEALTH-PACE								
CORE								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	11,465,246	0.00	11,465,246	0.00
TOTAL - PD	0	0.00	0	0.00	11,465,246	0.00	11,465,246	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$11,465,246	0.00	\$11,465,246	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$4,234,177	0.00	\$4,234,177	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$7,071,764	0.00	\$7,071,764	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$159,305	0.00	\$159,305	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Home Health and PACE**

**Program is found in the following core budget(s): Home Health and PACE**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Funds Home Health services and PACE. These programs help Medicaid recipients remain in their homes instead of seeking institutional care.*

The programs that make up this appropriation are: Home Health and PACE. A brief description of the home and community-based programs follows.

Home Health - Home Health services provide primarily medically oriented treatment or supervision, on an intermittent basis, to homebound individuals with an acute illness which can be therapeutically managed at home. The care follows a written plan of treatment established and reviewed every 62 days by a physician. Services included in the home health benefit are skilled nursing, home health aide, physical, occupational and speech therapies, and supplies.

Home health services are reimbursed on a per visit basis. A visit is a personal contact for a period of time, not to exceed three hours in a client's home. Payment for the visit is the lower of: the provider's actual billed charge; the Medicare rate in effect as of the date of service; or the State Medicaid agency established capped amount. The current Medicaid cap is \$61.79. The cap was increased by \$1.92 (from \$59.87) in FY 06. The Home Health program is a mandatory program, added to the Medicaid program in July 1972, serving eligibles throughout the state.

PACE - The goal of the PACE program is to maximize each participant's potential and continued residence in the home and community by providing preventive primary care and supports to the individual while in their home and community. In other words, the PACE program helps the participant stay as independent as possible. The PACE organization is the individual's sole source provider, guaranteeing access to services but not to a specific provider.

The PACE organization provides a full range of preventive, primary, acute, and long-term care services 24 hours per day, 7 days per week in an adult day health center setting. All medical services the individual requires while enrolled in the PACE program are the financial responsibility of the PACE provider.

PACE combines adult day settings, home care, interdisciplinary teams, transportation systems, and capitated payment systems so that providers can respond to the unique needs of each frail, elderly individual served.

The Missouri Department of Social Services, the Division of Medical Services, is the State administering agency for the PACE Program.

To be eligible to enroll in the PACE program, individuals must be at least 55 years old, live in St. Louis City or St. Louis County, have been certified by the Missouri Department of Health and Senior Services to have met the nursing home level of care of 21 points or higher, and be recommended by the PACE staff for PACE program services as the best option for their care.

At the time of enrollment, an individual must be able to live in a community setting without jeopardizing his or her health or safety.

Enrollment in the PACE program is always voluntary and participants have the option to disenroll and return to the fee-for-service system at any time. Eligibility to enroll in the PACE program is not restricted to an individual who is either a Medicare beneficiary or Medicaid recipient. A potential PACE enrollee may, but is not required to be, entitled to Medicare Part A, enrolled under Medicare Part B, or eligible for Medicaid.

Attendance at the PACE Center is determined by the interdisciplinary team and based on the needs and preferences of the participants. Some participants attend every day and some only 2-3 times per week. The PACE organization provides transportation to and from the PACE Center each day the participant is scheduled to attend.

The rule that establishes the requirements for the PACE Program may be found in the Code of Federal Regulations at 42 CFR 460. There are no state regulations that govern the PACE Program at this time. The PACE program is not a federally mandated program. States have the option of providing PACE.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.152, 208.168; Federal law: Social Security Act Section 1905(a)(24), 1905(a)(7) and 1915(c);  
Federal Regulations: 42 CFR 440.170(f), 440.210, 440.130 and 440.180

Federal Regulations: Social Security Act Sections: 1894, 1905(a) and 1934; 42 CFR 460.

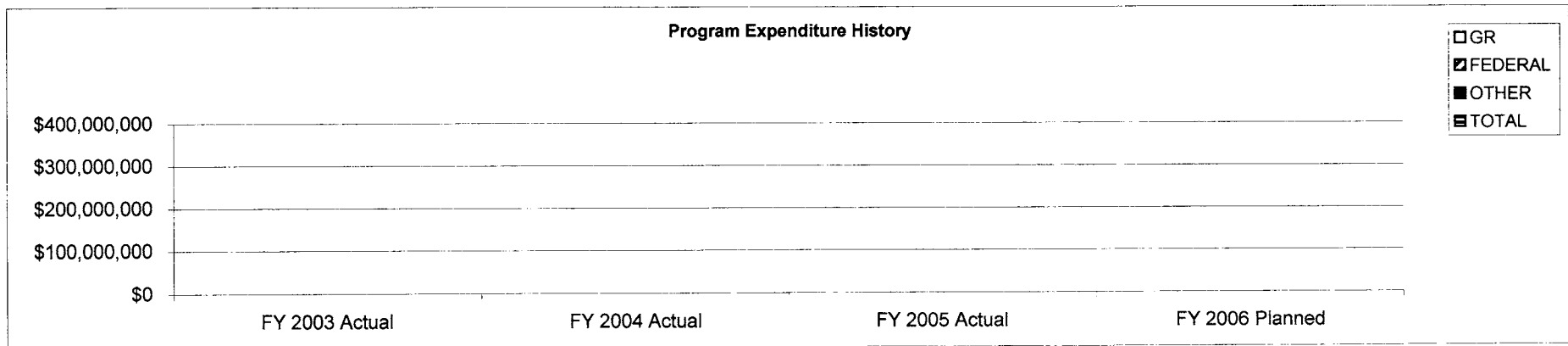
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

Mandatory status depends on eligibility category and age of recipient. (Most services are optional: personal care, adult day health care, waiver for aged and disabled, AIDS waiver, physical disabilities waiver and independent living waiver.)

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



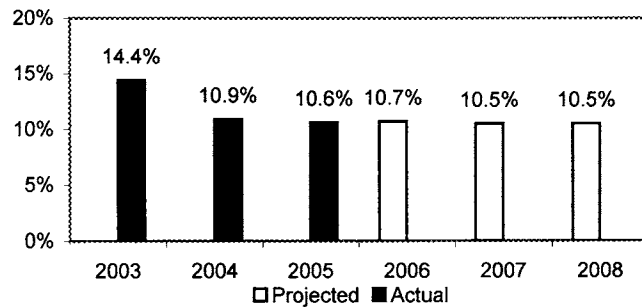
In FY06 Home Health and PACE funding was transferred to DHSS with all other Home and Community Based Services.

**6. What are the sources of the "Other" funds?**

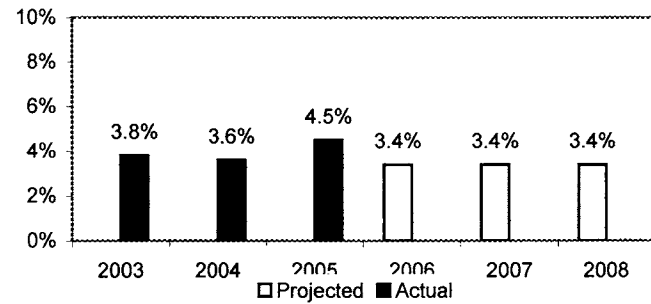
N/A

**7a. Provide an effectiveness measure.**

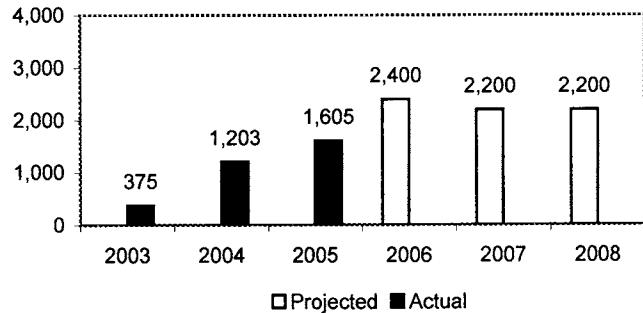
Nursing Home Utilization by Medicaid Eligible Seniors and Persons with Disabilities



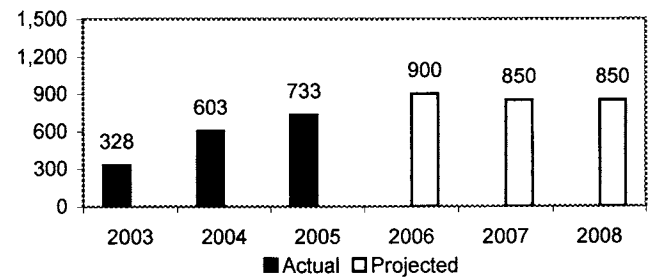
Hospital Utilization by Medicaid Eligible Seniors and Persons with Disabilities



Medicaid/MC+ Recipients in a Disease Management Program



Medicaid Providers Trained in Treating Chronic Conditions



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Services are available to all Medicaid/MC+ eligibles, however, certain criteria (medical need or age requirement) must be met before recipients can receive services.

Average Monthly Users of Home Health Services		
SFY	Actual	Projected
2003	881	
2004	842	
2005	1,030	
2006		1,204
2007		1,407
2008		1,645

Eligibles:

Recipients include dual eligibles, Medicaid eligibles and Medicare only eligibles.

PACE Recipients		
SFY	Actual	Projected
2003	182	
2004	175	
2005	164	
2006		164
2007		175
2008		187

**7d. Provide a customer satisfaction measure, if available.**

**NEW DECISION ITEM  
RANK: 999**

Department: Social Services  
Division: Medical Services  
DI Name: Home Health Rate Increase

Budget Unit Number: 90564C  
DI#: 886031

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD				
Total				0
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	45,659	73,493		119,152
Total	45,659	73,493		119,152
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Rate Increase	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

NDI SYNOPSIS: Funds increase in Home Health Services rate by \$1.00 per Medicaid cap.

Funds requested in this decision item provide for a cap increase of \$1.00 for direct care workers of in-home services. The current Medicaid cap is \$61.79. The cap was increased by \$1.92 (from \$59.87) in FY 06. Federal Authority is Social Security Act 1905(a) and 1915(c); 42 CFR 440.170, 440.210, 440.130, 440.180. State Authority is 208.152 RSMo.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Home health services are reimbursed on a per visit basis. A visit is a personal contact for a period of time, not to exceed three hours in a client's home. Payment for the visit is the lower of: the provider's actual billed charge; the Medicare rate in effect as of the date of service; or the State Medicaid agency established capped amount. The current Medicaid cap is \$61.79. A \$1.00 cap increase is being requested in this decision item. The fiscal impact for this decision item was based on the projected number of units of service for FY07 multiplied by the amount of increase. The SFY07 blended federal matching rate of 61.68% is used.

**Home Health  
Services**

FY07 Projected Visits	119,152
	X
Proposed Rate Increase	<u>\$1.00</u>
Total Impact of \$1.00 Cap Increase	\$119,152

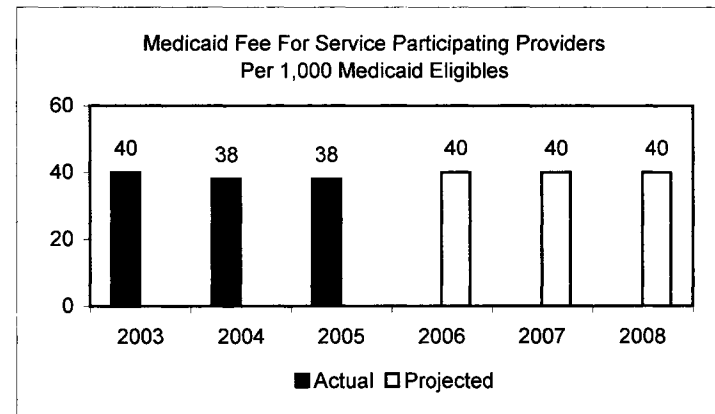
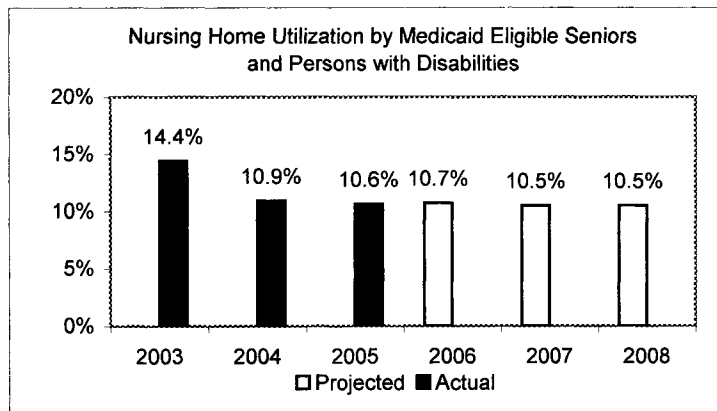
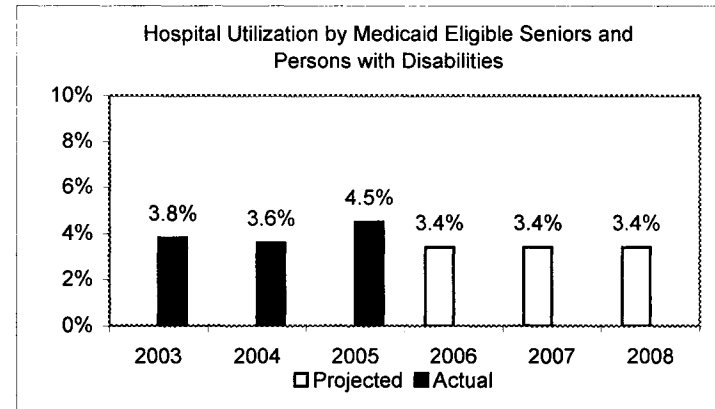
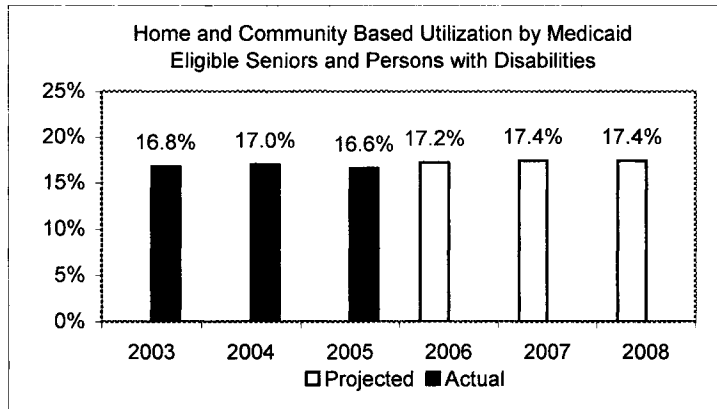
**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Total PSD	0		0		0		0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	45,659		73,493		0		119,152		
Total PSD	45,659		73,493		0		119,152		0
Grand Total	45,659	0.0	73,493	0.0	0	0.0	119,152	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**

**6c. Provide the number of clients/individuals served, if applicable.**

Average Monthly Users of Home Health Services		
SFY	Actual	Projected
2003	881	
2004	842	
2005	1,030	
2006		1,204
2007		1,407
2008		1,645

Eligibles:

Services are available to all Medicaid/MC+ eligibles, however, certain criteria (medical need or age requirement) must be met before recipients can receive services.

**6d. Provide a customer satisfaction measure, if available.**

## **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Request provider rate increases through the budget process.
- Identify, develop and analyze processes with stakeholders for the Medicaid seniors and disabled population to determine, measure and monitor recipient population health status.
- Identify, assess and monitor the impact of barriers to care resulting in increased hospitalizations by analyzing feedback from recipients and providers.
- Identify utilization baseline and population cohorts of high volume users and providers.
- Develop and utilize measures to analyze health outcomes.
- Implement time line for removal or amelioration of barriers to improved health status.
- Develop and implement a Comprehensive Chronic Illness Management program.
- Plan a process that would allow an individual discharged from the hospital to a nursing home (for recovery) to maintain existing community supports to ensure best possible chance of returning to the community.
- Work to make program modifications that allow an array of options which support consumer choice in community based service delivery.
- Maintain existing provider network of In-Home services providers.
- Analyze access geographically and by provider type.
- Process Medicaid provider enrollment applications in 45 days or less.
- Assure manuals are updated timely and on the internet.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOME HEALTH-PACE								
In-Home Rate Increase - 1886031								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	119,152	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	119,152	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$119,152	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$45,659	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$73,493	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

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# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>REHAB AND SPECIALTY SERVICES</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	296,785	0.00	0	0.00	291,638	0.00	291,638	0.00	
TITLE XIX-FEDERAL AND OTHER	225,914	0.00	0	0.00	351,000	0.00	351,000	0.00	
HEALTH INITIATIVES	45,326	0.00	0	0.00	1,398	0.00	1,398	0.00	
HFT-HEALTH CARE ACCT	56,590	0.00	0	0.00	5,964	0.00	5,964	0.00	
TOTAL - EE	624,615	0.00	0	0.00	650,000	0.00	650,000	0.00	
PROGRAM-SPECIFIC									
GENERAL REVENUE	45,148,810	0.00	40,668,735	0.00	37,206,240	0.00	37,206,240	0.00	
TITLE XIX-FEDERAL AND OTHER	73,168,315	0.00	67,868,494	0.00	64,729,630	0.00	64,729,630	0.00	
HEALTH INITIATIVES	143,709	0.00	194,881	0.00	193,483	0.00	193,483	0.00	
HFT-HEALTH CARE ACCT	775,155	0.00	831,745	0.00	825,781	0.00	825,781	0.00	
TOTAL - PD	119,235,989	0.00	109,563,855	0.00	102,955,134	0.00	102,955,134	0.00	
<b>TOTAL</b>	<b>119,860,604</b>	<b>0.00</b>	<b>109,563,855</b>	<b>0.00</b>	<b>103,605,134</b>	<b>0.00</b>	<b>103,605,134</b>	<b>0.00</b>	
<b>CtoC Supp Medicaid Programs - 1886001</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	7,002,552	0.00	7,002,552	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	11,271,331	0.00	11,271,331	0.00	
TOTAL - PD	0	0.00	0	0.00	18,273,883	0.00	18,273,883	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>18,273,883</b>	<b>0.00</b>	<b>18,273,883</b>	<b>0.00</b>	
<b>Medicaid Caseload Growth - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	1,631,017	0.00	1,631,017	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	2,625,290	0.00	2,625,290	0.00	
TOTAL - PD	0	0.00	0	0.00	4,256,307	0.00	4,256,307	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>4,256,307</b>	<b>0.00</b>	<b>4,256,307</b>	<b>0.00</b>	
<b>Hospice Rate Increase - 1886005</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	118,441	0.00	118,441	0.00	

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# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
Hospice Rate Increase - 1886005								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	190,642	0.00	190,642	0.00
TOTAL - PD	0	0.00	0	0.00	309,083	0.00	309,083	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>309,083</b>	<b>0.00</b>	<b>309,083</b>	<b>0.00</b>
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	1,438,839	0.00	1,438,839	0.00
TOTAL - PD	0	0.00	0	0.00	1,438,839	0.00	1,438,839	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,438,839</b>	<b>0.00</b>	<b>1,438,839</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$119,860,604</b>	<b>0.00</b>	<b>\$109,563,855</b>	<b>0.00</b>	<b>\$127,883,246</b>	<b>0.00</b>	<b>\$127,883,246</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Rehab and Specialty Services

Budget Unit Number: 90550C

## 1. CORE FINANCIAL SUMMARY

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE	291,638	351,000	7,362	650,000
PSD	37,206,240	64,729,630	1,019,264	102,955,134
Total	37,497,878	65,080,630	1,026,626	103,605,134
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Healthy Families Trust Fund-Health Care Account (0640)  
Health Initiatives Fund (0275)

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE	291,638	351,000	7,362	650,000
PSD	37,206,240	64,729,630	1,019,264	102,955,134
Total	37,497,878	65,080,630	1,026,626	103,605,134
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Healthy Families Trust Fund-Health Care Account (0640)  
Health Initiatives Fund (0275)

## 2. CORE DESCRIPTION

Funding provides rehabilitation and specialty services for the non-managed care Medicaid population.

## 3. PROGRAM LISTING (list programs included in this core funding)

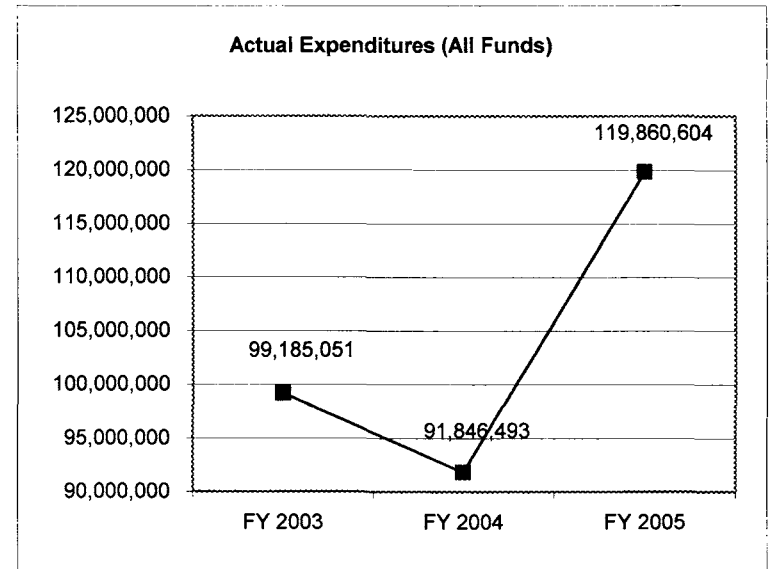
Rehabilitation and Specialty Services

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# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	99,185,432	91,852,339	119,866,450	109,563,855
Less Reverted (All Funds)	0	(5,846)	(5,846)	N/A
Budget Authority (All Funds)	99,185,432	91,846,493	119,860,604	N/A
Actual Expenditures (All Funds)	99,185,051	91,846,493	119,860,604	N/A
Unexpended (All Funds)	381	0	0	N/A
Unexpended, by Fund:				
General Revenue	142	0	0	N/A
Federal	225	0	0	N/A
Other	14	0	0	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Expenditures of \$19,416,208 paid from the Supplemental Pool.

(2) FY 04 appropriation reduced by \$8.4 million: \$4.8 million for recipient co-pays and \$3.6 million for limits and PAs for counseling/therapies. Expenditures of \$22,442,764 paid from the Supplemental Pool.

(3) FY 05 appropriation reduced by \$9.4 million for elimination/reduction of specific services. Expenditures of \$21,784,471 paid from the Supplemental Pool.

## CORE RECONCILIATION

### DEPARTMENT OF SOCIAL SERVICES REHAB AND SPECIALTY SERVICES

#### 5. CORE RECONCILIATION

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	40,668,735	67,868,494	1,026,626	109,563,855	
		<b>Total</b>	<b>0.00</b>	<b>40,668,735</b>	<b>67,868,494</b>	<b>1,026,626</b>	<b>109,563,855</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#869]	PD	0.00	(1,438,839)	0	0	(1,438,839)	FMAP Adjustment
Core Reduction	[#879]	PD	0.00	(43,796)	(70,495)	0	(114,291)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF income limits. One month savings in FY 2007.
Core Reduction	[#894]	PD	0.00	(290,049)	(466,865)	0	(756,914)	Savings from MAF Adults over TANF income limits leaving Medicaid rolls after up to one year federally required transitional benefit.
Core Reduction	[#901]	PD	0.00	(123,884)	(199,404)	0	(323,288)	Annualize savings from MAWD program elimination. One month savings in FY 2007.
Core Reduction	[#907]	PD	0.00	(113,614)	(182,874)	0	(296,488)	Annualize savings from Elderly/Disabled eligibility change from 100% of poverty to 85% of poverty. One month savings in FY 2007.
Core Reduction	[#915]	PD	0.00	(1,160,675)	(1,868,226)	0	(3,028,901)	Annualize savings from reduction in Rehab & Specialty services for adults (except visually impaired and pregnant women). One month savings in FY 2007.
Core Reallocation	[#233]	EE	0.00	291,638	351,000	7,362	650,000	Reallocate funding for contracted services for PA services as allowed for in HB 11 language. OF are HIF and HFTF (tobacco).
Core Reallocation	[#233]	PD	0.00	(291,638)	(351,000)	(7,362)	(650,000)	Reallocate funding for contracted services for PA services as allowed for in HB 11 language. OF are HIF and HFTF (tobacco).
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(3,170,857)</b>	<b>(2,787,864)</b>	<b>0</b>	<b>(5,958,721)</b>	

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES**

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**REHAB AND SPECIALTY SERVICES**

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**5. CORE RECONCILIATION**

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	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<hr/>							
<b>DEPARTMENT CORE REQUEST</b>							
	EE	0.00	291,638	351,000	7,362	650,000	
	PD	0.00	37,206,240	64,729,630	1,019,264	102,955,134	
	<b>Total</b>	<b>0.00</b>	<b>37,497,878</b>	<b>65,080,630</b>	<b>1,026,626</b>	<b>103,605,134</b>	
<hr/>							
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	EE	0.00	291,638	351,000	7,362	650,000	
	PD	0.00	37,206,240	64,729,630	1,019,264	102,955,134	
	<b>Total</b>	<b>0.00</b>	<b>37,497,878</b>	<b>65,080,630</b>	<b>1,026,626</b>	<b>103,605,134</b>	
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# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	604,105	0.00	0	0.00	650,000	0.00	650,000	0.00
COMPUTER EQUIPMENT	20,510	0.00	0	0.00	0	0.00	0	0.00
TOTAL - EE	<b>624,615</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>650,000</b>	<b>0.00</b>	<b>650,000</b>	<b>0.00</b>
PROGRAM DISTRIBUTIONS	119,235,989	0.00	109,563,855	0.00	102,955,134	0.00	102,955,134	0.00
TOTAL - PD	<b>119,235,989</b>	<b>0.00</b>	<b>109,563,855</b>	<b>0.00</b>	<b>102,955,134</b>	<b>0.00</b>	<b>102,955,134</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$119,860,604</b>	<b>0.00</b>	<b>\$109,563,855</b>	<b>0.00</b>	<b>\$103,605,134</b>	<b>0.00</b>	<b>\$103,605,134</b>	<b>0.00</b>
GENERAL REVENUE	\$45,445,595	0.00	\$40,668,735	0.00	\$37,497,878	0.00	\$37,497,878	0.00
FEDERAL FUNDS	\$73,394,229	0.00	\$67,868,494	0.00	\$65,080,630	0.00	\$65,080,630	0.00
OTHER FUNDS	\$1,020,780	0.00	\$1,026,626	0.00	\$1,026,626	0.00	\$1,026,626	0.00



## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Rehab and Specialty Services**

**Program is found in the following core budget(s): Rehab and Specialty Services**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payment for audiology, optometrics, durable medical equipment, ambulance, rehabilitation services, hospice, comprehensive day rehabilitation, disease management and diabetes self-management training for Medicaid/MC+ recipients. Unless otherwise noted, the rehabilitation and specialty services are covered only for eligibles who are under the age of 21, pregnant women, blind persons, or nursing facility residents.*

Audiology/Hearing Aid - This program is intended only to provide hearing aids and related covered services. Covered services include: audiological testing, hearing aids, ear molds, hearing aid fitting, hearing aid dispensing/evaluation, post-fitting evaluation, post-fitting adjustments, and hearing aid repairs. All hearing aids and related services must have prior approval except audiometric testing, post-fitting evaluation, post-fitting adjustment, and repairs to hearing aids no longer under warranty. An audiologist consultant gives prior authorization for the claims.

A recipient is entitled to one new hearing aid and related services every four years. However, services for children under the EPSDT/HCY program are determined to be whatever is medically necessary. The EPSDT claims are reviewed by the consultant only if rejected by the computer system. Cost sharing, a charge for a small portion of the cost of services, applies to individuals age 18 and over with a few exceptions (foster care children and institutional residents).

Optical - The Medicaid Optometry program covers the following types of providers and services: (1) Optometrists, physicians (who can only bill for eyeglasses if they are enrolled as an optician), optometric clinics - eye examinations, eyeglasses, artificial eyes, and special ophthalmological services; and (2) Opticians - eyeglasses and artificial eyes. Prior authorization is needed for tints and some special tests. Recipients who are under the age of 21, pregnant, blind, or in a nursing facility are allowed eyeglasses every two years, and eye exams every twelve months unless there is a diopter change of .50. All other Medicaid/MC+ recipients over the age of 21 are allowed an eye exam every two years. Cost sharing, a charge for a small portion of the cost of the service, applies to individuals age 18 and over with a few exceptions (foster care children and institutional residents). An optometrist is used as a consultant for this program. The consultant reviews prescriptions that do not meet the program criteria and prices claims for special lenses and frames.

Durable Medical Equipment (DME) - The Missouri Medicaid Program reimburses qualified participating DME providers for certain items of durable medical equipment such as: prosthetics, diabetic supplies and equipment, oxygen and respiratory care equipment, ostomy supplies, and wheelchairs. These items must be for use in the recipient's home when ordered in writing by the recipient's physician or nurse practitioner and are covered for all Medicaid/MC+ recipients.

The following items are covered only for eligibles who are under the age of 21, pregnant women, blind persons, or nursing facility residents: apnea monitors, artificial larynx and related items, augmentative communications devices, canes, crutches, commodes, bed pans, urinals, CPAP devices, decubitus care equipment, hospital beds, side rails, humidifiers, BiPAP machines, IPPB machines, nebulizers, orthotics, patients lifts and trapeze, scooters, suction pumps, total parenteral nutrition mix, supplies and equipment, walkers, and wheelchair accessories, labor and repair codes.

Although an item is classified as DME, it may not be covered in every instance. Coverage is based on the fact that the item is reasonable and necessary for treatment of an illness or injury, or to improve the functioning of a malformed or permanently inoperative body part, the equipment meets the definition of durable medical equipment or prosthesis, and the equipment is used in the recipient's home.

Even though a DME item may serve some useful medical purpose, consideration must be given by the physician and the DME supplier to what extent, if any, it is reasonable for Medicaid to pay for the item as opposed to another realistically feasible alternative pattern of care. Consideration should also be given by the physician and the DME provider as to whether the item serves essentially the same purpose as equipment already available to the recipient. If two different items each meet the need of the recipient, the less expensive item must be employed, all other conditions being equal. Equipment features of an aesthetic or medical nature, which are not medically necessary, are not reimbursable.

Ambulance - Emergency medical transportation is provided under the ambulance program. Ambulance services are covered if they are emergency services and transportation is made to the nearest appropriate hospital. Certain specified non-emergency but medically necessary ambulance transports are also covered. Reimbursement is provided for the base charge (the lesser of the Medicaid maximum allowed amount or billed charge) for patient pickup and transportation to destination (mileage for transporting a patient beyond the five miles is not included in the base charge), mileage, and ancillary services related to emergency situations. Ambulance services can be provided through ground or air transportation (helicopter) if medically necessary. All Medicaid/MC+ recipients are eligible for ambulance services.

Rehabilitation Center - The rehabilitation center program pays for adaptive training of Medicaid recipients who have prosthetic/orthotic devices. Covered services include: comprehensive evaluation, stump conditioning, prosthetic training, and orthotic training, speech therapy for artificial larynx and occupational therapy related to the prosthetic/orthotic adaption. These procedures are covered by Medicaid even when the prosthetic/orthotic service was not provided through the Medicaid program.

Coverage of augmentative communication devices and training are covered and include the cost of the device, accessories, evaluation, and training. Training is also covered for the following prosthetic devices: artificial arms, artificial legs, artificial larynx, and orthotics.

Hospice - The hospice benefit is designed to meet the needs of patients with a life-limiting illness and to help their families cope with the problems and feelings related to this difficult time. Reimbursement is limited to qualified Medicaid enrolled hospice providers rendering services to terminally ill patients who have elected hospice benefits. After the recipient elects hospice services, the hospice provides for all care, supplies, equipment, and medicines related to the terminal illness. Medicaid reimburses the hospice provider who then reimburses the provider of the services if the services are not provided by the hospice provider.

Medicaid reimburses for routine home care, continuous home care, general inpatient, inpatient respite, and nursing home room and board, if necessary. Hospice rates are authorized by Section 1814 (l)(1)(C)(ii) of the Social Security Act and provide for an annual increase in the payment rates for hospice care services. The Medicaid rates are calculated based on the annual hospice rates established by Medicare. In addition, the Social Security Act also provides for an annual increase in the hospice cap amounts. Nursing Home room and board is reimbursed to the hospice provider at 95% of the nursing home rate on file. The hospice is responsible for paying the nursing home. All Medicaid/MC+ recipients are eligible for hospice services.

Comprehensive Day Rehabilitation - This program covers services for certain persons with disabling impairments as the result of a traumatic head injury. It provides intensive, comprehensive services designed to prevent and/or minimize chronic disabilities while restoring the individual to an optimal level of physical, cognitive, and behavioral function within the context of the person, family, and community.

The program emphasizes functional living skills, adaptive strategies for cognitive, memory or perceptual deficits, and appropriate interpersonal skills. These services help to train individuals so that the person can leave the rehabilitation center and re-enter society. Services are designed to maintain and improve the recipient's ability to function as independently as possible in the community. Services for this program must be provided in a free-standing rehabilitation center or in an acute hospital setting with space dedicated to head injury rehabilitation. To be eligible for this program, an individual must receive prior authorization from the Division of Medical Services. Reimbursement is made for either a full day or a half day of services.

Disease Management - This program was designed to improve the healthcare of patients who suffer from chronic conditions such as asthma, diabetes, heart failure, and depression. Physicians and pharmacists work as a team to achieve these primary goals: improve patient care, improve health outcomes, reduce inpatient hospitalization, reduce emergency room visits, lower total costs, and better educate patients and providers. All Medicaid/MC+ recipients are eligible for disease management services with chronic conditions as previously mentioned.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.152; Federal law: Social Security Act Section 1905(a)(12) and (18), 1905(o); Federal regulation: 42 CFR 410.40, 418, 431.53, 440.60, 440.120, 440.130 and 440.170

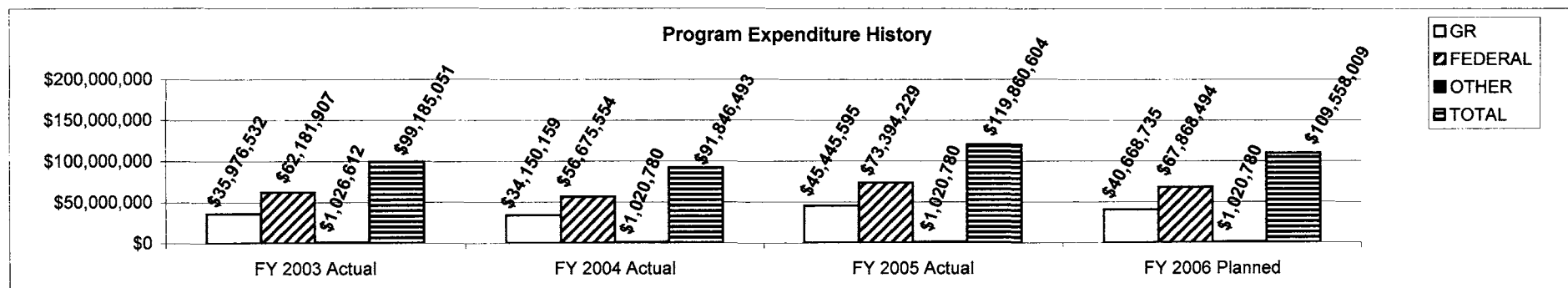
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

No for adults. Yes for children.

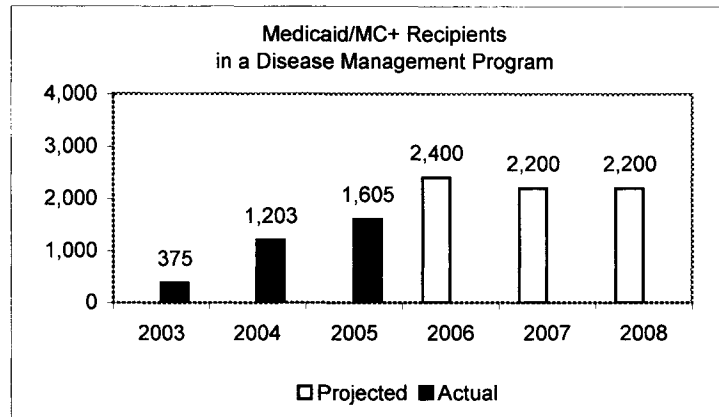
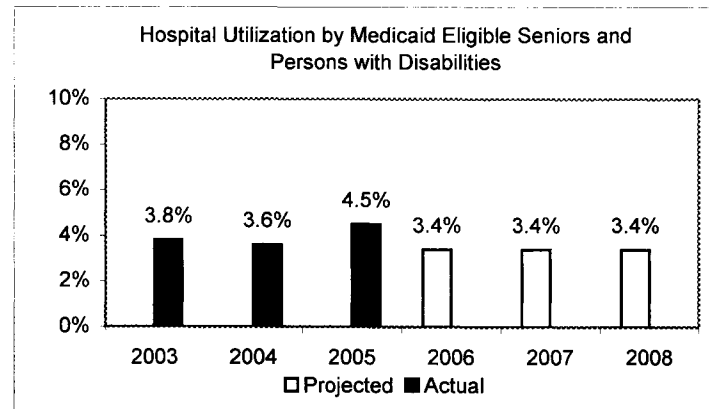
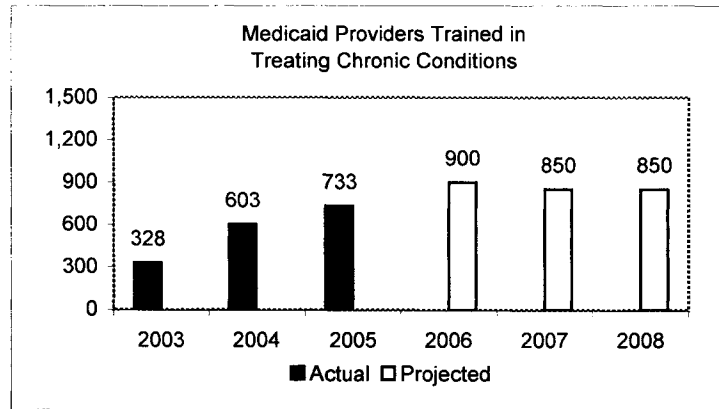
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Health Initiatives Fund (0275) and Healthy Families Trust Fund-Health Care Account (0640)

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.****Eligibles:**

Rehab and specialty services are available to Medicaid eligibles under the age of 21, pregnant women, or blind persons. In those regions of the state where MC+ managed care has been implemented enrollees have rehab and specialty services available through the MC+ managed care health plans.

Average Monthly Users of Rehab and Specialty Services		
SFY	Actual	Projected
2003	40,123	
2004	47,918	
2005	51,178	
2006		8,526
2007		8,526
2008		8,526

Average Monthly DME Users		
SFY	Actual	Projected
2003	21,437	
2004	24,899	
2005	25,327	
2006		2,139
2007		2,139
2008		2,139

Average Monthly Hospice Users		
SFY	Actual	Projected
2003	855	
2004	935	
2005	1,317	
2006		1,305
2007		1,305
2008		1,305

**7d. Provide a customer satisfaction measure, if available.**



**NEW DECISION ITEM  
RANK: 14**

Department: Social Services  
Division: Medical Services  
DI Name: Hospice Rate Increase

Budget Unit Number: 90550C

DI#: 886005

**1. AMOUNT OF REQUEST**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	118,441	190,642		309,083
<b>Total</b>	<b>118,441</b>	<b>190,642</b>		<b>309,083</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	118,441	190,642		309,083
<b>Total</b>	<b>118,441</b>	<b>190,642</b>		<b>309,083</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Supplemental
<input checked="" type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Inflation	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

NDI SYNOPSIS: Funding to apply annual hospice rate increase as established by Medicare.

The Medicaid hospice rates are calculated based on the annual hospice rates established under Medicare, Section 1814(j)(1)(ii). The Act provides for an annual increase in payment rates for hospice care services.

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Medicaid reimbursement for hospice care is made at one of four predetermined rates for each day in which an individual is under the care of the hospice. The four levels of care are routine home care, continuous home care, inpatient respite care, or general inpatient care. The rate paid for any day may vary, depending on the level of care furnished. Payment rates are adjusted for regional differences in wages.

A 3.7% increase was applied to the rates of the four levels of care. This is the increase from FY 05 to FY 06. The room and board rate adjustment is based on 95% of the estimated average NF rate increase due to rebasing. The rate of growth between FY 04 and FY 05 was applied to FY 05 actual units of service to arrive at the FY 07 units of service. The projected rate increase was then multiplied by the projected units of services to arrive at the projected cost of the increase.

Hospice rates are adjusted at the beginning of the federal fiscal year - October. This is three months into the state's fiscal year. This request includes the three months of FFY 06 that fall within SFY 07 - estimated impact of \$65,952. The twelve-months estimated increase for the FY 07 rate adjustment is \$324,174. This total is then divided by 9/12 to arrive at the SFY 07 impact of \$243,131. The total request for SFY 07 is \$309,083 (3 months totaling \$65,952 plus 9 months totaling \$243,131).

	GR	Federal	Total
July 2006 through Sept 2006 Inc.	\$25,273	\$40,679	\$65,952
October 2006 through June 2007 Inc.	\$93,168	\$149,963	\$243,131
Total	\$118,441	\$190,642	\$309,083

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>
<b>Total EE</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
Program Distributions	118,441		190,642				309,083		
<b>Total PSD</b>	<b>118,441</b>		<b>190,642</b>		<b>0</b>		<b>309,083</b>		<b>0</b>
<b>Grand Total</b>	<b>118,441</b>	<b>0.0</b>	<b>190,642</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>309,083</b>	<b>0.0</b>	<b>0</b>

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5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.									
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS

Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
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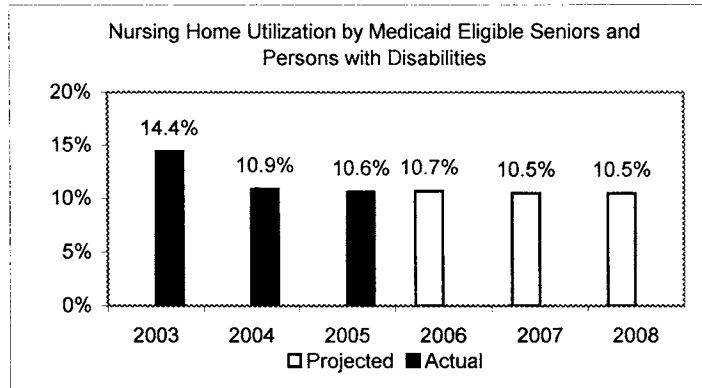
Total EE	0		0		0		0		0
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Program Distributions	118,441		190,642				309,083		
Total PSD	118,441		190,642		0		309,083		0

Grand Total	118,441	0.0	190,642	0.0	0	0.0	309,083	0.0	0
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**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**



**6b. Provide an efficiency measure.**

**6c. Provide the number of clients/individuals served, if applicable.**

Hospice Units of Service						
	FY 03	FY 04	FY 05	FY 06*	FY 07*	FY 08*
Routine Home Care	39,601	46,756	55,793	66,578	79,448	94,805
Continuous Home Care	166	225	259	298	343	395
Inpatient Respite	88	58	93	149	239	383
General Inpatient Care	151	285	244	209	179	153
NF Room and Board	270,820	311,324	385,676	477,775	591,868	733,206

\*Projected

**6d. Provide a customer satisfaction measure, if available.**

#### **7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Work with the Department of Health and Senior Services (DHSS) and Personal Independence Commission (PIC) to develop outreach materials and training on providing informed choice about long term care options.
- Make training available to hospital discharge planners regarding community options by incorporating it into the Informed Choice Training program.
- Plan a process that would allow an individual discharged from the hospital to a nursing home (for recovery) to maintain existing community supports to ensure best possible chance of returning to the community.
- Work to make program modifications that allow an array of options which support consumer choice in community based service delivery.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
Hospice Rate Increase - 1886005								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	309,083	0.00	309,083	0.00
TOTAL - PD	0	0.00	0	0.00	309,083	0.00	309,083	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$309,083</b>	<b>0.00</b>	<b>\$309,083</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$118,441	0.00	\$118,441	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$190,642	0.00	\$190,642	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>NON-EMERGENCY TRANSPORT</b>									
<b>CORE</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	18,139,613	0.00	10,967,225	0.00	10,423,816	0.00	10,423,816	0.00	
TITLE XIX-FEDERAL AND OTHER	22,242,133	0.00	21,676,443	0.00	21,403,066	0.00	21,403,066	0.00	
TOTAL - PD	40,381,746	0.00	32,643,668	0.00	31,826,882	0.00	31,826,882	0.00	
<b>TOTAL</b>	<b>40,381,746</b>	<b>0.00</b>	<b>32,643,668</b>	<b>0.00</b>	<b>31,826,882</b>	<b>0.00</b>	<b>31,826,882</b>	<b>0.00</b>	
<b>CtoC Supp Medicaid Programs - 1886001</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	107,255	0.00	107,255	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	1,799,521	0.00	1,799,521	0.00	
TOTAL - PD	0	0.00	0	0.00	1,906,776	0.00	1,906,776	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,906,776</b>	<b>0.00</b>	<b>1,906,776</b>	<b>0.00</b>	
<b>Medicaid Caseload Growth - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	538,523	0.00	538,523	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	866,809	0.00	866,809	0.00	
TOTAL - PD	0	0.00	0	0.00	1,405,332	0.00	1,405,332	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,405,332</b>	<b>0.00</b>	<b>1,405,332</b>	<b>0.00</b>	
<b>FMAP - 1886009</b>									
PROGRAM-SPECIFIC									
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	373,567	0.00	373,567	0.00	
TOTAL - PD	0	0.00	0	0.00	373,567	0.00	373,567	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>373,567</b>	<b>0.00</b>	<b>373,567</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$40,381,746</b>	<b>0.00</b>	<b>\$32,643,668</b>	<b>0.00</b>	<b>\$35,512,557</b>	<b>0.00</b>	<b>\$35,512,557</b>	<b>0.00</b>	

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: Non-Emergency Medical Transportation (NEMT)

Budget Unit Number: 90561C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	10,423,816	21,403,066		31,826,882
Total	10,423,816	21,403,066		31,826,882
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	10,423,816	21,403,066		31,826,882
Total	10,423,816	21,403,066		31,826,882
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

## 2. CORE DESCRIPTION

This core request is for the ongoing funding for payment for non-emergency medical transportation.

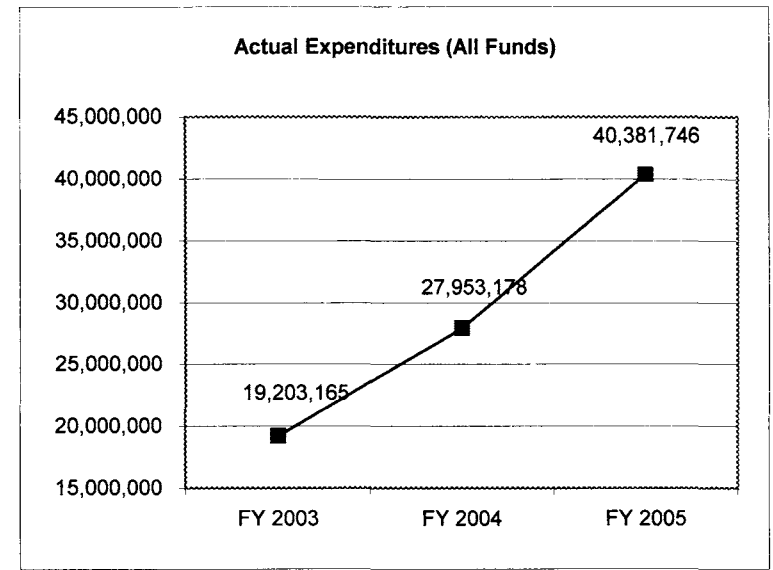
## 3. PROGRAM LISTING (list programs included in this core funding)

Non-Emergency Medical Transportation (NEMT)

**CORE DECISION ITEM**

**4. FINANCIAL HISTORY**

	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Current Yr.</b>
Appropriation (All Funds)	20,000,000	27,953,178	40,960,501	32,643,668
Less Reverted (All Funds)				N/A
Budget Authority (All Funds)	20,000,000	27,953,178	40,960,501	N/A
Actual Expenditures (All Funds)	19,203,165	27,953,178	40,381,746	N/A
Unexpended (All Funds)	796,835	0	578,755	N/A
Unexpended, by Fund:				
General Revenue			916	N/A
Federal	796,835		577,839	N/A
Other				N/A
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

**NOTES:**

**(1)** Excess federal authority - funded as a program (60/40) but received administrative match (50/50). Expenditures of \$6,026,485 were paid from the Supplemental Pool.

**(2)** Expenditures of \$13,677,899 were paid from the Supplemental Pool.

**(3)** Excess federal authority - funded as a program (60/40) but received administrative match (50/50).

## CORE RECONCILIATION

### DEPARTMENT OF SOCIAL SERVICES

### NON-EMERGENCY TRANSPORT

#### 5. CORE RECONCILIATION

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	10,967,225	21,676,443	0	32,643,668	
		<b>Total</b>	<b>0.00</b>	<b>10,967,225</b>	<b>21,676,443</b>	<b>0</b>	<b>32,643,668</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#870]	PD	0.00	(373,567)	0	0	(373,567)	FMAP Adjustment
Core Reduction	[#880]	PD	0.00	(9,485)	(15,266)	0	(24,751)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF income limits. One month savings in FY 2007.
Core Reduction	[#895]	PD	0.00	(91,898)	(147,919)	0	(239,817)	Savings from MAF Adults over TANF income limits leaving Medicaid rolls after up to one year federally required transitional benefit.
Core Reduction	[#902]	PD	0.00	(41,280)	(66,444)	0	(107,724)	Annualize savings from MAWD program elimination. One month savings in FY 2007.
Core Reduction	[#908]	PD	0.00	(27,179)	(43,748)	0	(70,927)	Annualize savings from Elderly/Disabled eligibility change from 100% of poverty to 85% of poverty. One month savings in FY 2007.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(543,409)</b>	<b>(273,377)</b>	<b>0</b>	<b>(816,786)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	10,423,816	21,403,066	0	31,826,882	
		<b>Total</b>	<b>0.00</b>	<b>10,423,816</b>	<b>21,403,066</b>	<b>0</b>	<b>31,826,882</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	10,423,816	21,403,066	0	31,826,882	
		<b>Total</b>	<b>0.00</b>	<b>10,423,816</b>	<b>21,403,066</b>	<b>0</b>	<b>31,826,882</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NON-EMERGENCY TRANSPORT</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	40,381,746	0.00	32,643,668	0.00	31,826,882	0.00	31,826,882	0.00
TOTAL - PD	40,381,746	0.00	32,643,668	0.00	31,826,882	0.00	31,826,882	0.00
<b>GRAND TOTAL</b>	<b>\$40,381,746</b>	<b>0.00</b>	<b>\$32,643,668</b>	<b>0.00</b>	<b>\$31,826,882</b>	<b>0.00</b>	<b>\$31,826,882</b>	<b>0.00</b>
GENERAL REVENUE	\$18,139,613	0.00	\$10,967,225	0.00	\$10,423,816	0.00	\$10,423,816	0.00
FEDERAL FUNDS	\$22,242,133	0.00	\$21,676,443	0.00	\$21,403,066	0.00	\$21,403,066	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Non-Emergency Medical Transportation (NEMT)

Program is found in the following core budget(s): Non-Emergency Medical Transportation (NEMT)

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payments for non-emergency medical transportation for Medicaid recipients who do not have access to free transportation to scheduled Medicaid-covered services.*

The purpose of the NEMT program is to ensure non-emergency medical transportation to Missouri Medicaid recipients who do not have access to free appropriate transportation (can transport themselves or can use free community resources or other free programs) to scheduled Medicaid-covered services. The recipient is to be provided with the most appropriate mode of transportation. The program is currently provided as an administrative cost program rather than a medical service program. DMS is in the process of making substantial changes to this contract that will allow moving from an administrative claiming to a service match.

Missouri's program utilizes and builds on the existing transportation networks in the state and requires Managed Care providers to include NEMT in their benefit package. The fee-for-service Medicaid NEMT program is administered through a contracted broker. Under the contract, the state is divided into regions/areas. DMS is in the process of rebidding this contract and moving to a per member per month payment instead of a per trip payment arrangement.

Where appropriate and possible, the DMS enters into cooperative agreements to provide matching Medicaid funds for state and local general revenue already being used to transport Medicaid eligible individuals to medical services. By working with existing governmental entities and established transportation providers, NEMT is provided in a cost-effective manner and governmental agencies are able to meet the needs of their constituency.

DMS works with the following state agencies to provide federal matching funds for general revenue used for NEMT services: the Children's Division for children in state care and custody, DHSS Division of Senior Services with the Area Agencies on Aging (AAA), the Department of Health Head Injury Program, and school districts.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, Federal regulation: 42 CFR 431.53 and 440.170

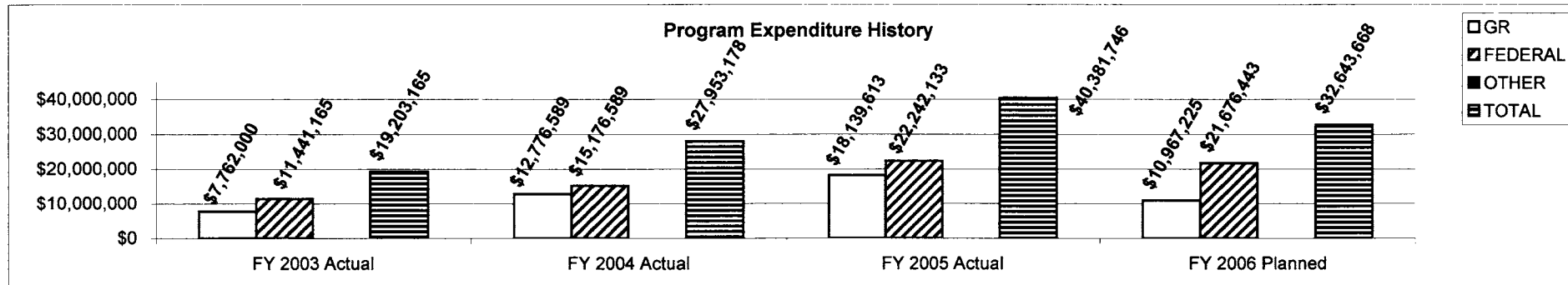
### 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding. States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%. For those public entities identified above who use state and local general revenue to transport Medicaid eligible individuals, DMS provides payment of the federal share for these services.

**4. Is this a federally mandated program? If yes, please explain.**

Yes, state Medicaid programs must assure availability of medically necessary transportation.

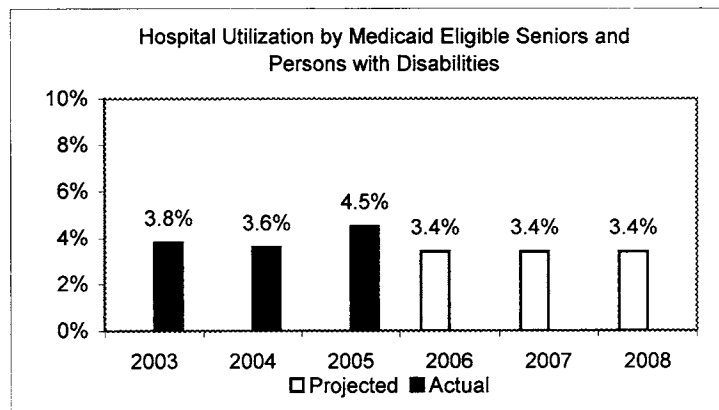
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.****7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Non-emergency medical transportation is available to all Medicaid eligibles except SCHIP and 1115 adults. Non-emergency medical transportation is included in MC+ managed care health benefits.

Average Monthly NEMT Users		
SFY	Actual	Projected
2003	10,153	
2004	12,074	
2005	12,182	14,223
2006		14,215
2007		16,632
2008		19,459

Number of Trips		
SFY	Actual	Projected
2003	638,406	
2004	784,177	
2005	720,261	921,408
2006		840,461
2007		983,339
2008		1,150,507

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>MANAGED CARE</b>									
<b>CORE</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	186,524,842	0.00	162,418,851	0.00	144,430,436	0.00	144,430,436	0.00	
TITLE XIX-FEDERAL AND OTHER	502,605,502	0.00	554,297,358	0.00	519,496,547	0.00	519,496,547	0.00	
FEDERAL REIMBURSEMENT ALLOWANCE	116,112,906	0.00	109,064,837	0.00	109,065,009	0.00	109,065,009	0.00	
MEDICAID MNG CARE ORG REIMB AL	0	0.00	51,528,800	0.00	47,918,434	0.00	47,918,434	0.00	
HEALTH INITIATIVES	8,210,194	0.00	8,775,354	0.00	8,775,354	0.00	8,775,354	0.00	
HFT-HEALTH CARE ACCT	4,447,110	0.00	4,447,110	0.00	4,447,110	0.00	4,447,110	0.00	
TOTAL - PD	817,900,554	0.00	890,532,310	0.00	834,132,890	0.00	834,132,890	0.00	
<b>TOTAL</b>	<b>817,900,554</b>	<b>0.00</b>	<b>890,532,310</b>	<b>0.00</b>	<b>834,132,890</b>	<b>0.00</b>	<b>834,132,890</b>	<b>0.00</b>	
<b>Medicaid Caseload Growth - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	1,813,133	0.00	1,813,133	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	2,918,426	0.00	2,918,426	0.00	
TOTAL - PD	0	0.00	0	0.00	4,731,559	0.00	4,731,559	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>4,731,559</b>	<b>0.00</b>	<b>4,731,559</b>	<b>0.00</b>	
<b>FY07 MC Phar Infl/Medical Util - 1886008</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	27,692,885	0.00	27,692,885	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	45,024,809	0.00	45,024,809	0.00	
HEALTH INITIATIVES	0	0.00	0	0.00	279,726	0.00	279,726	0.00	
TOTAL - PD	0	0.00	0	0.00	72,997,420	0.00	72,997,420	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>72,997,420</b>	<b>0.00</b>	<b>72,997,420</b>	<b>0.00</b>	
<b>FMAP - 1886009</b>									
PROGRAM-SPECIFIC									

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# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
FMAP - 1886009								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	35,619	0.00	35,619	0.00
TOTAL - PD	0	0.00	0	0.00	35,619	0.00	35,619	0.00
TOTAL	0	0.00	0	0.00	35,619	0.00	35,619	0.00
GRAND TOTAL	\$817,900,554	0.00	\$890,532,310	0.00	\$911,897,488	0.00	\$911,897,488	0.00

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**CORE DECISION ITEM**

**Department: Social Services**  
**Division: Medical Services**  
**Appropriation: Managed Care**

**Budget Unit Number: 90551C**

**1. CORE FINANCIAL SUMMARY**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	144,430,436	519,496,547	170,205,907	834,132,890
<b>Total</b>	<b>144,430,436</b>	<b>519,496,547</b>	<b>170,205,907</b>	<b>834,132,890</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Medicaid Managed Care Organization Reimbursement Allowance Fund (0803)  
 Health Initiatives Fund (0275)  
 Federal Reimbursement Allowance Fund (0142)  
 Healthy Families Trust Fund-Health Care Account (0640)

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	144,430,436	519,496,547	170,205,907	834,132,890
<b>Total</b>	<b>144,430,436</b>	<b>519,496,547</b>	<b>170,205,907</b>	<b>834,132,890</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Medicaid Managed Care Organization Reimbursement Allowance Fund (0803)  
 Health Initiatives Fund (0275)  
 Federal Reimbursement Allowance Fund (0142)  
 Healthy Families Trust Fund-Health Care Account (0640)

**2. CORE DESCRIPTION**

This core request is for the continued funding of the Managed Care Medicaid program to provide health care services to the managed care Medicaid population.

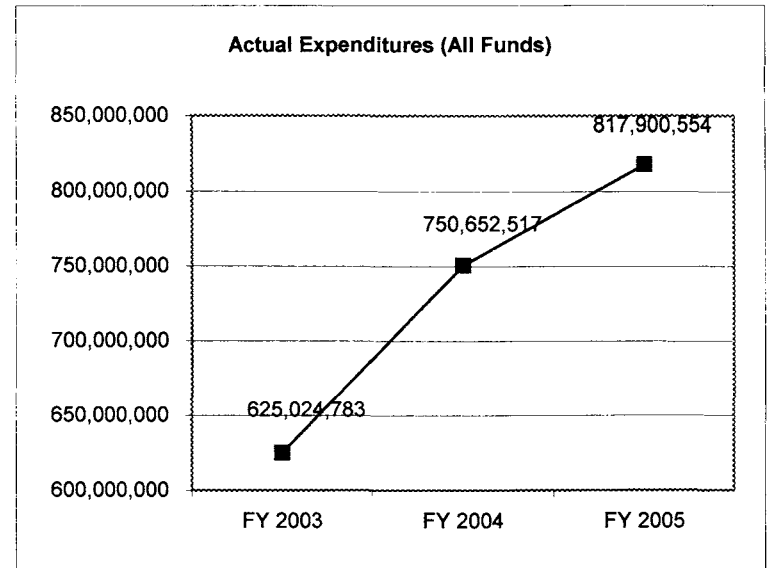
**3. PROGRAM LISTING (list programs included in this core funding)**

Managed Care

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	625,024,783	751,740,368	824,737,006	890,532,310
Less Reverted (All Funds)	0	(248,125)	(253,924)	N/A
Budget Authority (All Funds)	625,024,783	751,492,243	824,483,082	N/A
Actual Expenditures (All Funds)	625,024,783	750,652,517	817,900,554	N/A
Unexpended (All Funds)	0	839,726	6,582,528	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	156,634	6,582,528	N/A
Other	0	683,092	0	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Expenditures of \$59,186,201 paid from the Supplemental Pool.

(2) Lapse of \$683,092 in FRA. There was no cash to support this authority. Expenditures of \$8,675,665 paid from the Supplemental Pool.

(3) Expenditures of \$4,447,408 (GR) paid from the Supplemental Pool.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES  
MANAGED CARE**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	162,418,851	554,297,358	173,816,101	890,532,310	
		<b>Total</b>	<b>0.00</b>	<b>162,418,851</b>	<b>554,297,358</b>	<b>173,816,101</b>	<b>890,532,310</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#871]	PD	0.00	0	(35,619)	0	(35,619)	FMAP Adjustment
Core Reduction	[#881]	PD	0.00	(1,896,266)	(3,052,236)	0	(4,948,502)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF income limits. One month's savings in FY 2007.
Core Reduction	[#896]	PD	0.00	(16,091,977)	(31,712,956)	(3,610,366)	(51,415,299)	Savings from MAF Adults over TANF income limits leaving Medicaid rolls after up to one year federally required transitional benefit. Other fund is MC Org Reimb.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(17,988,243)</b>	<b>(34,800,811)</b>	<b>(3,610,366)</b>	<b>(56,399,420)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	144,430,436	519,496,547	170,205,907	834,132,890	
		<b>Total</b>	<b>0.00</b>	<b>144,430,436</b>	<b>519,496,547</b>	<b>170,205,907</b>	<b>834,132,890</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	144,430,436	519,496,547	170,205,907	834,132,890	
		<b>Total</b>	<b>0.00</b>	<b>144,430,436</b>	<b>519,496,547</b>	<b>170,205,907</b>	<b>834,132,890</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	817,900,554	0.00	890,532,310	0.00	834,132,890	0.00	834,132,890	0.00
TOTAL - PD	817,900,554	0.00	890,532,310	0.00	834,132,890	0.00	834,132,890	0.00
<b>GRAND TOTAL</b>	<b>\$817,900,554</b>	<b>0.00</b>	<b>\$890,532,310</b>	<b>0.00</b>	<b>\$834,132,890</b>	<b>0.00</b>	<b>\$834,132,890</b>	<b>0.00</b>
GENERAL REVENUE	\$186,524,842	0.00	\$162,418,851	0.00	\$144,430,436	0.00	\$144,430,436	0.00
FEDERAL FUNDS	\$502,605,502	0.00	\$554,297,358	0.00	\$519,496,547	0.00	\$519,496,547	0.00
OTHER FUNDS	\$128,770,210	0.00	\$173,816,101	0.00	\$170,205,907	0.00	\$170,205,907	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Managed Care**

**Program is found in the following core budget(s): Managed Care**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides funding for capitation payments to managed care plans on behalf of MC+ eligibles enrolled in managed care.*

The Division of Medical Services (DMS) operates an HMO-style managed care program, MC+ Managed Care. Health plans contract with the state and are paid a monthly capitation payment for providing services for each enrollee. Participation in MC+ Managed Care is mandatory for certain Medicaid eligibility groups within the regions in operation. The mandatory groups are: Medical Assistance for Families-Adults and Children, Medicaid for Children, Refugees, Medicaid for Pregnant Women, Children in State Care and Custody, and 1115 Waiver Children (MC+ for Kids). Those recipients who receive Supplemental Security Income (SSI), meet the SSI medical disability definition, or get adoption subsidy benefits may stay in MC+ Managed Care or may choose to receive services on a fee-for-service basis. The MC+ Managed Care program is currently operating in the Eastern Region since September 1, 1995, in the Central Region since March 1, 1996, and in the Western Region since January 1, 1997.

The MC+ Managed Care program is subject to an approved federal 1915(b) waiver and an approved 1115 waiver. The waivers include a cost-effectiveness estimate. Each waiver requires an independent evaluation of the waiver with respect to access to care, quality of services, and cost-effectiveness that must be submitted to the Centers for Medicare and Medicaid Services. At the end of the waiver period, or at prescribed intervals within the waiver period, the state must demonstrate that their waiver cost projections are reasonable and consistent with statute, regulation and guidance.

Objectives of the MC+ Managed Care program include cost effectiveness, quality of care, contract compliance, and member satisfaction.

Services: In MC+ Managed Care, most enrollees receive all the services that the fee-for-service program offers. MC+ Managed Care enrollees eligible under the 1115 waiver receive a package of services that are detailed in the 1115 Waiver program description. Examples of services included in the capitation payment paid to health plans are: hospital, physician, pharmacy, emergency medical services, EPSDT services, family planning services, dental, optical, audiology, personal care, adult day health care and mental health services. Certain services are provided on a fee-for-service basis outside of the capitation payment such as transplants, and physical, occupational and speech therapy for children if included in an Individual Education Plan or Individualized Family Service Plan. Department of Health and Senior Services testing services (tests on newborns), certain mental health services, including ICF/MR, community psychiatric rehabilitation services, CSTAR services, and mental health services for children in care and custody are also offered on a fee-for-service basis.

Improvements Over Fee-For-Service: MC+ Managed Care gives Medicaid recipients a number of advantages over traditional fee-for-service Medicaid. Each MC+ Managed Care enrollee chooses a health plan and a primary care provider from within the network of the health plan. MC+ Managed Care enrollees are guaranteed access to primary care and other services, as needed. Health plans must ensure that routine exams are scheduled within thirty days, urgent care scheduled within two days, and emergency services must be available at all times. MC+ Managed Care health plans must ensure that children receive all EPSDT exams (complete physicals on a regular schedule), are fully immunized, and receive any medically necessary services. MC+ Managed Care health plans are required to provide case management to ensure that enrollee services, especially children's and pregnant women's, are properly coordinated. The state may track service utilization and costs under the traditional Medicaid program, but the agency is not able to control costs or monitor quality of care effectively. Managed care provides the means to control costs, but more importantly provides the means to ensure access, manage and coordinate benefits, and monitor quality of care and outcomes.

**Quality Assessment:** The purpose of quality assessment is to assess the quality of services in the MC+ Managed Care program. Quality assessment utilizes a variety of methods and tools to measure outcomes of services provided. The goal is to monitor ① health care services provided to MC+ Managed Care members by the health plans, and ② compliance with federal, state and contract requirements. The health plans must meet program standards for quality improvement, systems, member services, provider services, record keeping, organizational structure, adequacy of personnel, access standards, and data reporting as outlined in the MC+ Managed Care contracts. Quality assessment measures will be taken from HEDIS (Health Plan Employer and Data Information Set) and other internally developed measurements. HEDIS is a strong public/private effort that includes a standardized set of measures to assess and encourage the continual improvement in the quality of health care. Specifically, Medicaid HEDIS includes additional quality and access measures which respond more directly to needs of women and children, who make up the majority of MC+ Managed Care enrollees. Medicaid HEDIS is intended to be used collaboratively by the agency and health plans to:

- ♦ Provide the agency with information on the performance of the contracted health plans
- ♦ Assist health plans in quality improvement efforts
- ♦ Support emerging efforts to inform Medicaid clients about managed care plan performance
- ♦ Promote standardization of health plan reporting across the public and private sectors

An annual report will be provided with significant outcomes measured, including the following:

- ♦ Member complaints and grievances and actions taken; reasons for members changing health plans
- ♦ Utilization review: inpatient/outpatient visits for both physical and mental health
- ♦ Outcome indicators (diabetes, asthma, low birth weight, mortality)
- ♦ EPSDT activities (children's health services): Number of well child visits provided
- ♦ Prenatal activities and services provided

**Contract Compliance:** Along with quality assessment, monitoring health plan compliance to contractual requirements is a primary method to measure whether the goals of managed care are being met. Contractual compliance monitoring begins with the issuance of the Request for Proposal (RFP) and continues throughout the contract. Contract compliance is measured through a variety of methods. The division has a relationship with the Missouri Department of Insurance to analyze health plan provider networks in accordance with 20 CSR 400-7.095 to ensure that the network is adequate to meet the needs of enrollees.

**Member Satisfaction:** Member satisfaction with the health plans is another method for measuring success of the MC+ Managed Care program. An initial measurement is how many members actually choose their health plan versus the Division assigning them to health plans. MC+ Managed Care has a high voluntary choice percentage. Since the inception of the MC+ managed care program, less than 10% of enrollees are randomly assigned. Reporting has been developed to continuously monitor how many recipients initially choose their health plans as well as which health plans are chosen. Other reporting that has been developed monitors recipients' transfer requests among health plans to identify health plans that have particular problems keeping their enrollees. The Division also looks at the number of calls coming into our recipient and provider hot lines to assess problem areas with health plans. Health plans submit enrollee satisfaction data to the Department of Health and Senior Services in accordance with 19 CSR 10-5.010.

**Managed Care Provider Tax:** The 93rd Missouri General Assembly, 2005 passed legislation establishing a Medicaid managed care organization reimbursement allowance to be paid by all Missouri Medicaid-only health benefit plans for the privilege of engaging in the business of providing health benefit services in Missouri. The tax is based on Medicaid total revenues as reported to the Missouri Department of Insurance. The tax may be withheld from each managed care organization's Medicaid check through an offset or the managed care organization may send a check or money order. The provider tax is effective July 1, 2005 and will be implemented pending approval by the Centers for Medicaid and Medicaid Services (CMS).

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.166; Federal law: Social Security Act Sections 1115, 1902(a)(4), 1903(m), 1915(b), 1932; Federal Regulations: 42 CFR 438

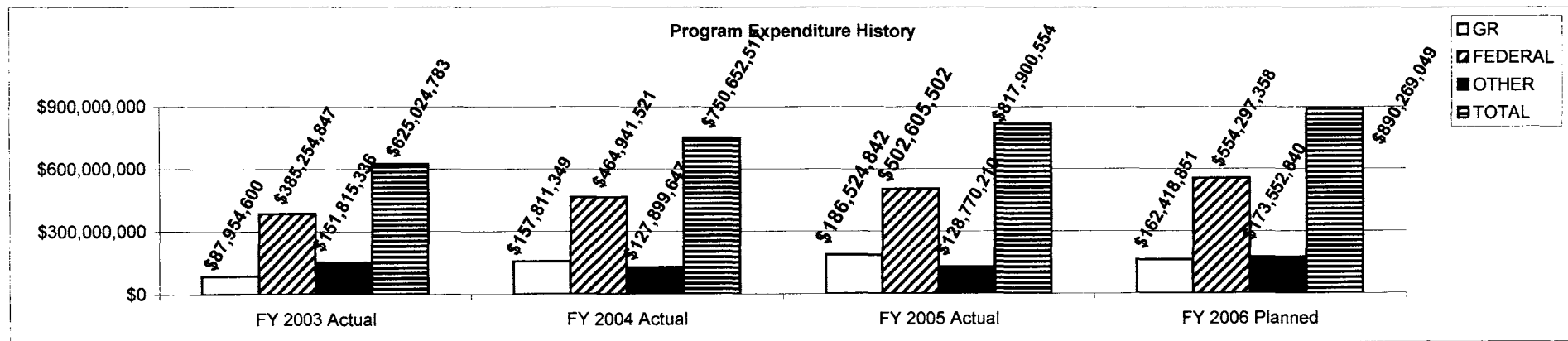
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

Managed care covers most services available to fee for service eligibles. As such, both mandatory and non-mandatory services are included. Services not included in managed care are available fee for service.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

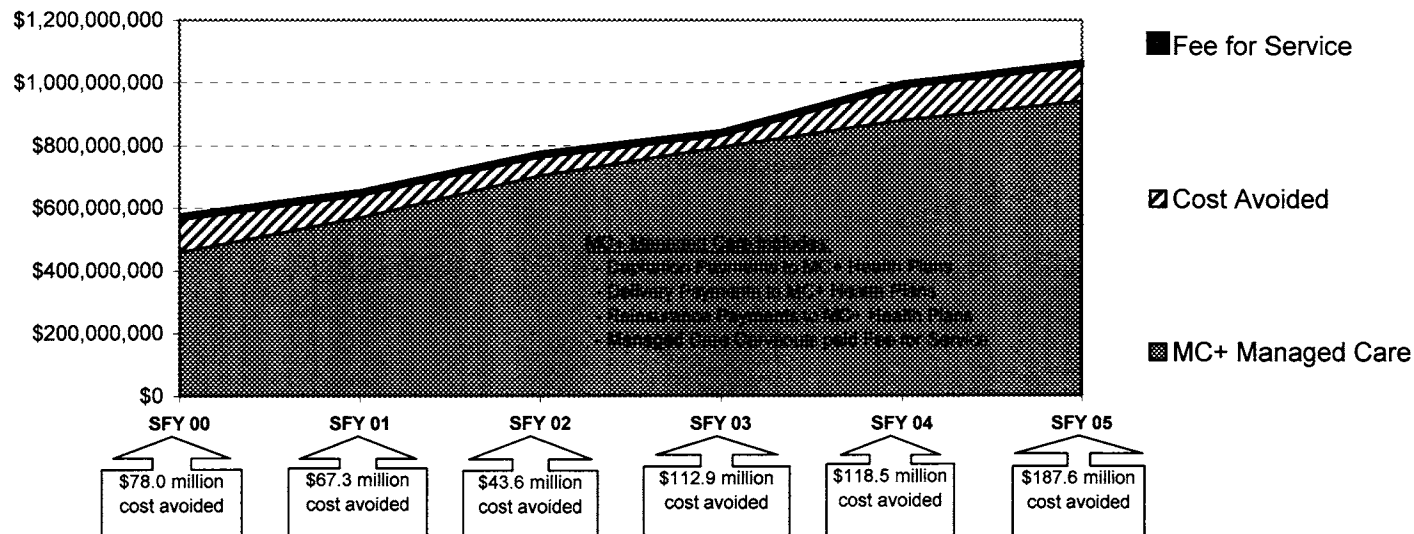
Federal Reimbursement Allowance Fund (0142), Health Initiatives Fund (0275), Healthy Families Trust Fund-Health Care Account (0640) and Medicaid Managed Care Organization Reimbursement Allowance Fund (0160) new in FY 06.

**7a. Provide an effectiveness measure.**

See Attachment A--"Since MC+ Managed Care Began"

**7b. Provide an efficiency measure.**

Cost Avoidance Attributable to MC+ Managed Care



**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Participation in MC+ managed care for those areas of the state where it is available is mandatory for these eligibility categories:

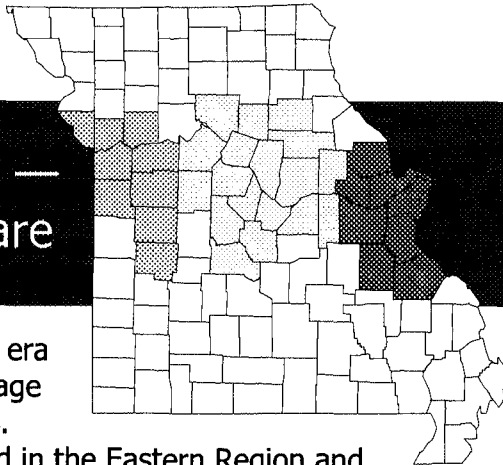
- Medical assistance for families
- MC+ for children
- Refugees
- MC+ for pregnant women
- Children in state care and custody
- 1115 waiver children

Managed Care Enrollees (Excludes 1115 Waiver Eligibles)		
SFY	Actual	Projected
2003	377,605	
2004	381,937	
2005	375,250	
2006		
2007		382,633
2008		399,852
		417,845

**7d. Provide a customer satisfaction measure, if available.**

See Attachment B--"2004 Consumer's Guide MC+ Managed Care in Missouri".

# Missouri Medicaid — MC+ Managed Care



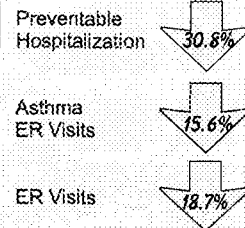
- Western Region
- Central Region
- Eastern Region
- Fee for Service

In 1995 Missouri began a new era of providing health care coverage for its most vulnerable citizens.

Medicaid managed care started in the Eastern Region and now stretches through a corridor encompassing counties in central and western Missouri. Since its inception, positive results have been realized.

Since MC+ Began . . .

Children are healthier

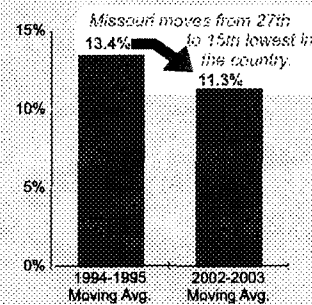


SOURCE: Department of Health & Senior Services  
Population: Medicaid Managed Care

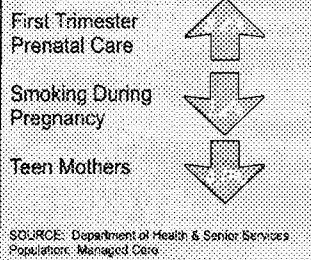
Babies are healthier

Number of uninsured decreased

## Uninsured Population in Missouri



Source: US Census Bureau  
Population: All Missourians



SOURCE: Department of Health & Senior Services  
Population: Managed Care

294

For MC+ managed care participants, maternal behavior and infant indicators have improved since MC+ managed care began.

## HEALTHY BABIES

Achieved Since  
Start of MC+ Managed Care

Maternal & Infant Behavior Indicators	Inadequate Prenatal Care	Reduced by 7.3%
	First Trimester Prenatal Care	Improved by 8.2%
	Smoking During Pregnancy	Reduced by 1.2%
	Short Intervals Between Pregnancies	Reduced by 1.9%
	Teen Mothers	Reduced by 4.0%
	Repeat Teen Births	Reduced by 2.6%
	Low Birth Weight	Reduced by 0.4%

Health care indicators for children participating in MC+ managed care have also shown improvement.

## HEALTHY CHILDREN

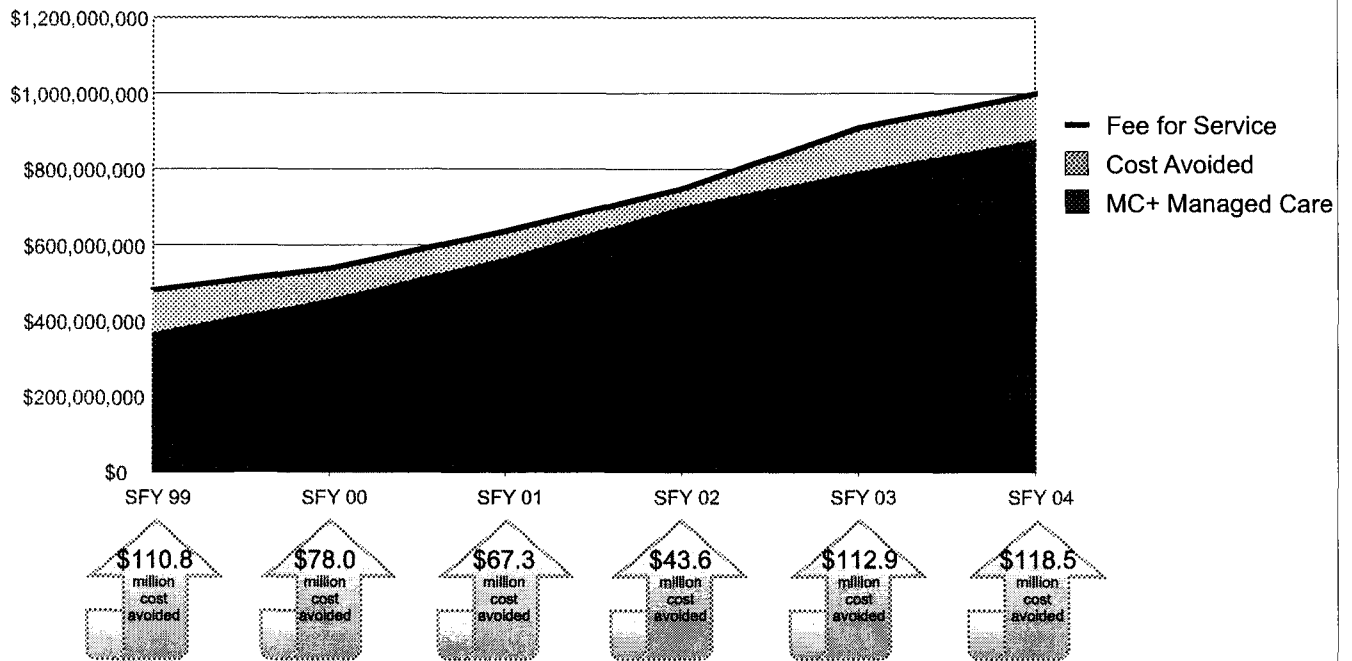
Achieved Since  
Start of MC+ Managed Care

Hospital Utilization Indicators	Emergency Room (ER) Visits Under 18 Years of Age	Reduced 18.7%
	ER Asthma Visits Ages 4-17	Reduced 15.6%
	Asthma Admissions Under 18 Years of Age	Reduced 29.2%
	Preventable Hospitalization Under 18 Years of Age	Reduced 30.8%

Source: Department of Health & Senior Services, Comparison of 2003 provisional to baseline data (1994 or 1995 depending on region)

Because health care for these participants was provided under managed care instead of fee for service, we estimate costs in the amount of \$118.5 million were avoided in 2004.

### Cost Avoidance Attributable to MC+ Managed Care



2004 Consumer's Guide

# MC+ Managed Care in Missouri



## MC+ Managed Care

MC+ is the statewide medical assistance program for low-income families, pregnant women, children and uninsured parents. MC+ recipients get their care through either Fee-for-Service (FFS) or managed care depending on where the person lives in Missouri. MC+ managed care is in 37 Missouri counties. MC+ managed care members must choose a health plan and a primary care provider (PCP). A PCP directs a member's health care. The PCP will refer the member to other health care providers when needed. There are some services not in MC+ managed care that are covered by MC+ FFS.

## Table of Contents

Know Your Rights .....	3
Know Your Responsibilities .....	4
Quality of Care Symbols Explained .....	5
MC+ Managed Care Plan Performance —	
Women's Health .....	6
Children's Health .....	7
Member Satisfaction .....	8
Eligibility and Enrollment Toll Free Numbers .....	9

## Know Your Rights

You have the right to:

- ◆ Be treated with respect and dignity
- ◆ Receive needed medical services
- ◆ Have privacy and confidentiality (including minors) subject to state and federal laws
- ◆ Select your own PCP
- ◆ Refuse care from a specific provider
- ◆ Receive information about your health care and treatment options
- ◆ Participate in decision-making about your health
- ◆ Have access to your medical records
- ◆ Have someone act on your behalf if you are unable to do so
- ◆ Receive information in a manner and format that can be easily understood
- ◆ Receive information on physician incentive plans, if any
- ◆ Be free of restraint or seclusion from a provider who wants to:
  1. Make you do something you should not
  2. Punish you
  3. Get back at you
  4. Make things easier for him or herself
- ◆ Be free to exercise these rights without retaliation

## Know Your Responsibilities

Learn the rules of your MC+ managed care plan before you get medical care. You have a responsibility to:

- ◆ Pick a primary care provider (PCP)
- ◆ Make and keep appointments, or call ahead to cancel
- ◆ Ask questions about your health care, talk to your PCP or managed care plan
- ◆ Call your PCP before you get care from another provider, or you may have to pay the bill
- ◆ Use urgent care facilities for urgent health care conditions that are not emergencies
- ◆ Eat right, exercise, get regular checkups, don't smoke and follow your PCP's instructions

To find out about your rights, phone:

1-800-392-2161

or write: Recipient Services

Missouri Division of Medical Services

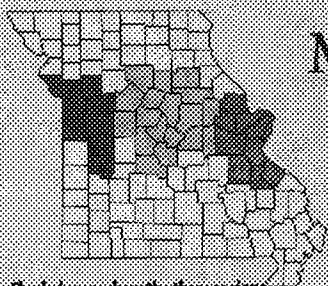
P.O. Box 6500

Jefferson City, MO 65102.

## **Statewide Averages and Quality of Care Symbols Explained**

---

The percent on the "Statewide Averages" line indicate the average percent of all plans for each indicator shown in the header of the column. The Quality of Care Ratings reflect a statistical comparison of the plan's percentage on the indicator (measure) and the statewide average percentage for all plans. An Average (●) rating for a specific plan means the plan scored close to the Statewide Average for that indicator. A High (●) or Low (○) rating means the plan scored much higher or much lower than the Statewide Average.



Shaded areas show the three regions where MC+ managed care plans offer coverage

# MC+ Managed Care Plan Performance

## Women's Health

### Eastern Region

Community Care Plus	●	○	YES
HealthCare USA of Missouri	●	●	YES
Mercy MC+	○	○	none

### Central Region

HealthCare USA of Missouri	○	●	YES
Missouri Care Health Plan	●	●	YES

### Western Region

Blue-Advantage Plus	○	●	YES
Children's Mercy's Family Health Partners	●	●	YES
FirstGuard Health Plan	●	●	none
HealthCare USA of Missouri	●	○	YES

### Statewide Averages

58%

59%

This table compares health plans' performance on Women's Health Care measures to the statewide average, using the rating symbols below. The table also reports on which plans offer selected benefits and coverages.

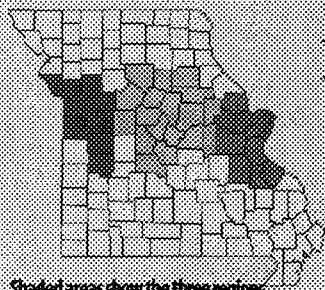
### Quality of Care Ratings\*

- —High
  - —Average
  - —Low/Needs Improvement
  - NA Numbers too small
  - NR Not reported by plan
- \*Plan performance measures are compared to statewide averages

Female plan members (ages 16-20) who are sexually active and had at least one test for chlamydia (an STD) during the past year.

Women (ages 21-64) who had a pap test in the past two years.

Plan provides educational information to members who are at risk for High Risk Pregnancy.



Shaded areas show the three regions where MC+ managed care plans offer coverage

## MC+ Managed Care Plan Performance

### Children's Health

	Use of Appropriate Medication for People with Asthma	Childhood Immunizations	Adolescent Immunizations	Adolescent Well-Care Visit	Obesity Education of All Plan Enrollees	Yearly Dental Visits
<b>Eastern Region</b>						
Community Care Plus	○	●	●	○	none	●
HealthCare USA of Missouri	●	○	○	●	none	●
Mercy MC+	●	●	○	●	none	○
<b>Central Region</b>						
HealthCare USA of Missouri	●	○	○	●	none	○
Missouri Care Health Plan	●	●	●	●	YES	●
<b>Western Region</b>						
Blue-Advantage Plus	●	●	NR	●	YES	●
Children's Mercy's Family Health Partners	●	●	●	●	YES	●
FirstGuard Health Plan	●	●	●	●	none	○
HealthCare USA of Missouri	NA	○	○	○	none	○
<b>Statewide Averages</b>	<b>66%</b>	<b>46%</b>	<b>27%</b>	<b>29%</b>		<b>26%</b>

Child members (ages 5-9) who have persistent asthma and are being given acceptable medications for long term control of asthma.

Children who turned 2 in the past year and received vaccinations.

Adolescents who turned 13 in the past year and received vaccinations.

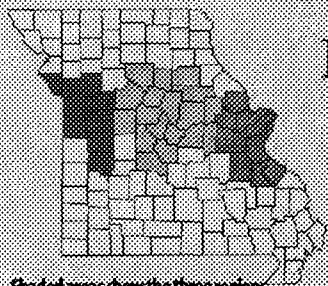
Adolescents (ages 12-21) who had a well care visit during the past year.

Plan provides educational information for members about risks of obesity.

Children and young adults (ages 4-21) who had one or more dental visits during the past year.

#### Quality of Care Ratings\*

- — High
  - — Average
  - — Low/Needs Improvement
  - NA Numbers too small
  - NR Not reported by plan
- \*Plan performance measures are compared to statewide averages



Shaded areas show the three regions where MC+ managed care plans offer coverage

# MC+ Managed Care Plan Performance

## Member Satisfaction

	Customer Service (1)	Getting Care Quickly (2)	Getting Needed Care (3)	Rating of Doctor Seen Most Often (4)	Rating of Specialist Seen Most Often (5)	Overall Rating of Plan (6)
<b>Eastern Region</b>						
Community Care Plus	●	●	●	●	●	●
HealthCare USA of Missouri	●	●	●	●	●	●
Mercy MC+	●	●	●	●	●	●
<b>Central Region</b>						
HealthCare USA of Missouri	●	●	●	●	●	●
Missouri Care Health Plan	●	●	●	●	●	●
<b>Western Region</b>						
Blue-Advantage Plus	●	●	●	●	●	●
Children's Mercy's Family Health Partners	●	●	●	●	●	●
FirstGuard Health Plan	●	○	●	●	●	●
HealthCare USA of Missouri	●	●	●	●	●	○
<b>Statewide Averages</b>	<b>73%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>78%</b>	<b>78%</b>

### Response Descriptions for Satisfaction Categories Above

- (1) No problem with paperwork, written materials or help from customer service.
- (2) No problem getting necessary care in a reasonable time.
- (3) No problem getting good doctors and nurses, referrals, and necessary care.
- (4) Overall rating of personal doctor seen most often.
- (5) Overall rating of specialist seen most often.
- (6) Overall rating of health plan.

Statewide Averages and Quality of Care Symbols are explained on page 5.

### Quality of Care Ratings\*

- — High
  - ◐ — Average
  - — Low/Needs Improvement
  - NA Numbers too small
  - NR Not reported by plan
- \*Plan performance measures are compared to statewide averages

# Member Services Telephone Numbers

MC+ Plan	Customer Service Nurse Helpline	
Blue-Advantage Plus	888-279-8186	800-693-7153
Blue Cross and Blue Shield Kansas City		
CIGNA HealthCare	800-832-3211	800-832-3211
of St. Louis		
Community Care Plus	800-875-0679	800-875-0679
Family Health Partners	800-347-9363	800-347-9369
FirstGuard Health Plan	888-828-5698	888-828-5698
HealthCare USA	800-566-6444	800-475-1142
Mercy MC+	800-796-0056	800-811-1187
Missouri Care	800-322-6027	888-884-2401

*You may contact the following State agency about  
MC+ managed care plan problems.*

Division of Medical Services

1-800-392-2161

<https://dms.missouri.gov/dms/>



For further information about this Consumer's Guide, contact:  
Center for Health Information Management and Evaluation (CHIME),  
Missouri Dept. of Health and Senior Services  
P.O. Box 570, Jefferson City, MO 65102-0570  
(573) 751-6272

The Missouri Department of Health and Senior Services has attempted to publish accurate information based upon common definitions. The data reported are based on plan performance during 2003. Managed care plans were given an opportunity to review and correct the data presented. Other corrections or suggestions should be forwarded to the Center for Health Information Management and Evaluation (CHIME), Missouri Department of Health and Senior Services, P.O. Box 570, Jefferson City, MO 65102. Our telephone number is (573) 751-6272. A companion technical report, containing the data and statistical formulas used, is also available for \$10.

The Missouri Department of Health and Senior Services is an equal opportunity/affirmative action employer. Services are provided on a nondiscriminatory basis. This information is available in alternate formats to citizens with disabilities.



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>HOSPITAL CARE</b>									
<b>CORE</b>									
<b>EXPENSE &amp; EQUIPMENT</b>									
TITLE XIX-FEDERAL AND OTHER	67,790	0.00	0	0.00	0	0.00	0	0.00	
FEDERAL REIMBURSEMENT ALLOWANCE	67,790	0.00	0	0.00	0	0.00	0	0.00	
HFT-HEALTH CARE ACCT	0	0.00	100,000	0.00	100,000	0.00	100,000	0.00	
TOTAL - EE	135,580	0.00	100,000	0.00	100,000	0.00	100,000	0.00	
<b>PROGRAM-SPECIFIC</b>									
GENERAL REVENUE	50,565,094	0.00	20,288,779	0.00	10,923,155	0.00	10,923,155	0.00	
TITLE XIX-FEDERAL AND OTHER	377,879,166	0.00	403,648,675	0.00	387,423,632	0.00	387,423,632	0.00	
UNCOMPENSATED CARE FUND	32,483,522	0.00	32,483,522	0.00	32,483,522	0.00	32,483,522	0.00	
THIRD PARTY LIABILITY COLLECT	1,170,000	0.00	1,106,786	0.00	1,062,735	0.00	1,062,735	0.00	
INTERGOVERNMENTAL TRANSFER	20,250,000	0.00	0	0.00	0	0.00	0	0.00	
FEDERAL REIMBURSEMENT ALLOWANCE	89,474,785	0.00	149,992,328	0.00	149,992,328	0.00	149,992,328	0.00	
HEALTH INITIATIVES	2,713,264	0.00	2,797,179	0.00	2,797,179	0.00	2,797,179	0.00	
HFT-HEALTH CARE ACCT	42,731,431	0.00	42,631,431	0.00	42,631,431	0.00	42,631,431	0.00	
TOTAL - PD	617,267,262	0.00	652,948,700	0.00	627,313,982	0.00	627,313,982	0.00	
<b>TOTAL</b>	<b>617,402,842</b>	<b>0.00</b>	<b>653,048,700</b>	<b>0.00</b>	<b>627,413,982</b>	<b>0.00</b>	<b>627,413,982</b>	<b>0.00</b>	
<b>CtoC Supp Medicaid Programs - 1886001</b>									
<b>PROGRAM-SPECIFIC</b>									
GENERAL REVENUE	0	0.00	0	0.00	9,835,171	0.00	9,835,171	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	15,830,724	0.00	15,830,724	0.00	
TOTAL - PD	0	0.00	0	0.00	25,665,895	0.00	25,665,895	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>25,665,895</b>	<b>0.00</b>	<b>25,665,895</b>	<b>0.00</b>	
<b>Medicaid Caseload Growth - 1886003</b>									
<b>PROGRAM-SPECIFIC</b>									
GENERAL REVENUE	0	0.00	0	0.00	13,362,080	0.00	13,362,080	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	21,507,648	0.00	21,507,648	0.00	
TOTAL - PD	0	0.00	0	0.00	34,869,728	0.00	34,869,728	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>34,869,728</b>	<b>0.00</b>	<b>34,869,728</b>	<b>0.00</b>	

1/11/06 10:51

im\_disummary

# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
HOSPITAL CARE									
FMAP - 1886009									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	1,079,201	0.00	1,079,201	0.00	
TOTAL - PD	0	0.00	0	0.00	1,079,201	0.00	1,079,201	0.00	
TOTAL	0	0.00	0	0.00	1,079,201	0.00	1,079,201	0.00	
GRAND TOTAL	\$617,402,842	0.00	\$653,048,700	0.00	\$689,028,806	0.00	\$689,028,806	0.00	

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Hospital Care

Budget Unit Number: 90552C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE			100,000	100,000	EE			100,000	100,000
PSD	10,923,155	387,423,632	228,967,195	627,313,982	PSD	10,923,155	387,423,632	228,967,195	627,313,982
Total	10,923,155	387,423,632	229,067,195	627,413,982	Total	10,923,155	387,423,632	229,067,195	627,413,982
FTE				0.00	FTE				0.00
Est. Fringe	0	0	0	0	Est. Fringe	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.					Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Federal Reimbursement Allowance Fund (0142)  
Health Initiatives Fund (0275)  
Healthy Families Trust Fund-Health Care Account (0640)  
Third Party Liability Collections Fund (0120)  
Uncompensated Care Fund (0108)

Note: A "E" is requested for appropriation to support trauma center payments, federal funds and FRA.

Other Funds: Federal Reimbursement Allowance Fund (0142)  
Health Initiatives Fund (0275)  
Healthy Families Trust Fund-Health Care Account (0640)  
Third Party Liability Collections Fund (0120)  
Uncompensated Care Fund (0108)

Note: A "E" is requested for appropriation to support trauma center payments, federal funds and FRA.

## 2. CORE DESCRIPTION

This core request is for ongoing funding to reimburse hospitals for services provided to fee-for-service Title XIX Medicaid clients. Funding for this core is used to maintain hospital reimbursement at a sufficient level to ensure quality health care and provider participation.

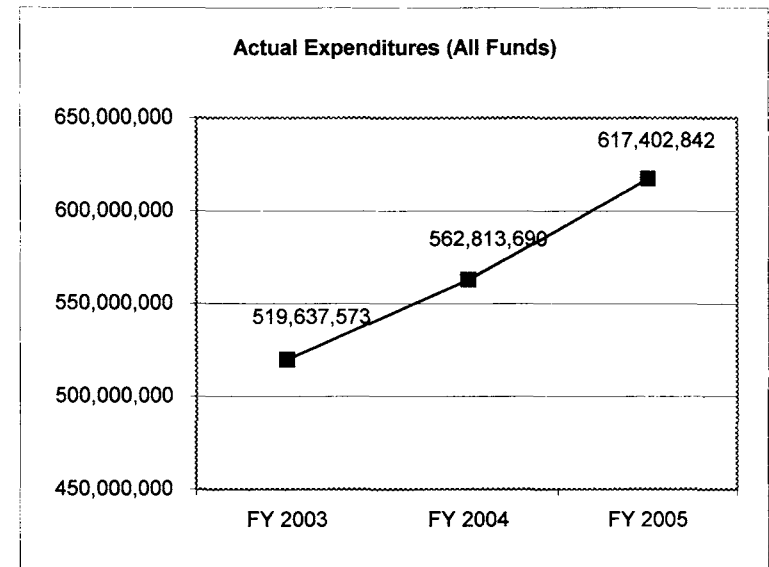
## 3. PROGRAM LISTING (list programs included in this core funding)

Hospital Care

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	529,410,107	613,112,605	667,838,537	653,048,700 E
Less Reverted (All Funds)	0	(83,915)	(83,915)	N/A
Budget Authority (All Funds)	529,410,107	613,028,690	667,754,622	N/A
Actual Expenditures (All Funds)	519,637,573	562,813,690	617,402,842	N/A
Unexpended (All Funds)	9,772,534	50,215,000	50,351,780	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	1,906	30,115,000	30,175,890	N/A
Other	9,770,628	20,100,000	20,175,890	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) \$9,765,444 Other Fund lapse is FRA put into agency reserve. There was no cash to support this authority. Expenditures of \$26,167,396 were paid from the Supplemental Pool.

(2) Agency reserve of \$50,000,000 for trauma center payments. State Plan Amendment to make trauma payments not approved. Expenditures of \$10,737,113 were paid from the Supplemental Pool.

(3) State Plan Amendment to make trauma payments (\$50,000,000) still not approved. Expenditures of \$24,843,767 were paid from the Supplemental Pool.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES  
HOSPITAL CARE**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		EE	0.00	0	0	100,000	100,000	
		PD	0.00	20,288,779	403,648,675	229,011,246	652,948,700	
		<b>Total</b>	<b>0.00</b>	<b>20,288,779</b>	<b>403,648,675</b>	<b>229,111,246</b>	<b>653,048,700</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#872]	PD	0.00	0	(1,079,201)	0	(1,079,201)	FMAP Adjustment
Core Reduction	[#882]	PD	0.00	(693,443)	(1,120,971)	(2,984)	(1,817,398)	Annualize savings from MAF Adult eligibility change from 75% of poverty to TANF limits. One month savings in FY 2007. OF is TPL.
Core Reduction	[#897]	PD	0.00	(7,778,730)	(12,582,326)	(38,305)	(20,399,361)	Savings from MAF Adults over TANF limits leaving Medicaid rolls after up to one year federally required transitional benefit. OF is TPL.
Core Reduction	[#903]	PD	0.00	(526,354)	(849,174)	(1,214)	(1,376,742)	Annualize savings from MAWD program elimination. One month savings in FY 2007. OF is TPL.
Core Reduction	[#909]	PD	0.00	(367,097)	(593,371)	(1,548)	(962,016)	Annualize savings from Eldery/Disabled eligibility change from 100% of poverty to 85% of poverty. One month savings in FY 2007.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(9,365,624)</b>	<b>(16,225,043)</b>	<b>(44,051)</b>	<b>(25,634,718)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		EE	0.00	0	0	100,000	100,000	
		PD	0.00	10,923,155	387,423,632	228,967,195	627,313,982	
		<b>Total</b>	<b>0.00</b>	<b>10,923,155</b>	<b>387,423,632</b>	<b>229,067,195</b>	<b>627,413,982</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		EE	0.00	0	0	100,000	100,000	

---

**CORE RECONCILIATION**

---

**DEPARTMENT OF SOCIAL SERVICES**

**HOSPITAL CARE**

---

**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	10,923,155	387,423,632	228,967,195	627,313,982	
	<b>Total</b>	<b>0.00</b>	<b>10,923,155</b>	<b>387,423,632</b>	<b>229,067,195</b>	<b>627,413,982</b>	

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# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOSPITAL CARE</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	135,580	0.00	100,000	0.00	100,000	0.00	100,000	0.00
TOTAL - EE	135,580	0.00	100,000	0.00	100,000	0.00	100,000	0.00
PROGRAM DISTRIBUTIONS	617,267,262	0.00	652,948,700	0.00	627,313,982	0.00	627,313,982	0.00
TOTAL - PD	617,267,262	0.00	652,948,700	0.00	627,313,982	0.00	627,313,982	0.00
<b>GRAND TOTAL</b>	<b>\$617,402,842</b>	<b>0.00</b>	<b>\$653,048,700</b>	<b>0.00</b>	<b>\$627,413,982</b>	<b>0.00</b>	<b>\$627,413,982</b>	<b>0.00</b>
GENERAL REVENUE	\$50,565,094	0.00	\$20,288,779	0.00	\$10,923,155	0.00	\$10,923,155	0.00
FEDERAL FUNDS	\$377,946,956	0.00	\$403,648,675	0.00	\$387,423,632	0.00	\$387,423,632	0.00
OTHER FUNDS	\$188,890,792	0.00	\$229,111,246	0.00	\$229,067,195	0.00	\$229,067,195	0.00



## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Hospital Care**

**Program is found in the following core budget(s): Hospital Care**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payment for inpatient and outpatient hospital services for fee for service Medicaid/MC+ recipients.*

Hospital services, inpatient and outpatient, are an essential part of a health care delivery system. These services are mandatory Medicaid-covered services and are provided statewide. Hospital services have been part of the Missouri Medicaid program since November 1967. Medicaid inpatient hospital services are medical services provided in a hospital acute care setting for the care and treatment of Medicaid recipients.

Medicaid outpatient hospital services include preventative, diagnostic, emergency, therapeutic, rehabilitative or palliative services provided in an outpatient setting. Examples of outpatient services are emergency room services, physical therapy, ambulatory surgery, or any service/procedure done prior to admission.

#### Providers

To participate in the Medicaid fee-for-service program, hospitals must first meet certain requirements. Hospitals must be licensed and certified by the Missouri Department of Health for participation in the Title XVIII Medicare program. If the hospital is located out of state, the hospital must be licensed by that state's Department of Health or similar agency. If a state does not have a licensing agency, the hospital must be accredited by the Joint Commission on Accreditation of Healthcare Organization (JCAHO). In addition, the hospital must complete a Title XIX Medicaid Participation Agreement/Questionnaire, and a Missouri Medicaid Enrollment application. The application of enrollment must be approved by the Department of Social Services/Division of Medical Services (DMS).

#### Medicaid Reimbursement

Reimbursement for inpatient hospital stays is determined by a prospective reimbursement plan implemented in FY 82. The plan provides for an inpatient hospital reimbursement rate based on the 1995 cost report to reimburse for inpatient stays in accordance with a specified admission diagnosis. For reimbursement purposes hospitals are divided into two groups: safety net hospitals and Disproportionate Share Hospitals (first tier and other DSH). The DSH classification is made as a result of an analysis of annual hospital cost reports.

A hospital can qualify as a Safety Net hospital if:

- it has an unsponsored care (charity care) ratio of 65%; OR
- is operated by the Board of Curators as defined in chapter 172 RSMo; OR
- is operated by the Department of Mental Health;

AND if it meets one of the following DSH criteria:

- Medicaid inpatient utilization percentage must be at least one standard deviation above the state's mean Medicaid utilization;
- Utilization of services by low-income clients must be greater than 25% of their total utilization;
- The hospital must be ranked in the top fifteen hospitals based on Medicaid patient days and their Medicaid nursery and neonatal utilization must be greater than 35% of the hospital's total nursery and neonatal utilization;
- At least 9% of their Medicaid days are provided in the hospital's neonatal unit.
- Unsponsored care ratio of at least ten percent (10%).

Once a per diem reimbursement rate is established for each hospital, it is paid for the lesser of: 1) the number of days assigned by the medical review agent; 2) the number of days billed as covered services; or 3) the Professional Activity Study (PAS) limitation for any diagnosis not subject to review by the medical review agent.

A hospital is eligible for a special per diem rate increase if it meets prescribed requirements concerning new health services or new construction.

Outpatient services, excluding certain diagnostic laboratory procedures, are paid on a prospective outpatient reimbursement methodology. The prospective outpatient payment percentage is calculated using the Medicaid overall outpatient cost-to-charge ratio from the fourth, fifth and sixth prior base year cost reports regressed to the current state fiscal year. The prospective outpatient payment percentage cannot exceed 100% and cannot be less than 20%. New Medicaid providers that do not have fourth, fifth and sixth prior year cost reports will be set at 75% for the first three fiscal years in which the hospital operates and will have a cost settlement calculated for these years. A prospective outpatient rate will then be calculated and used for the fourth and subsequent years of operation. The weighted average prospective outpatient rate is 35%.

#### Other Reimbursement to Hospitals

Hospitals may also receive funding from the Federal Reimbursement Allowance (FRA) program. The FRA program is a funding source for inpatient and outpatient services. It is also a funding source for MC+ Managed Care, the 1115 Waiver-Adults, and the 1115 Waiver-Children (CHIPs). These programs provide payments for the cost of providing care to Medicaid recipients and the uninsured.

Under the FRA program, hospitals pay a federal reimbursement allowance for doing business in the state. For FY06, the assessment is 5.54% of total operating revenue less tax revenue/other government appropriations, plus non-operating gains and losses as published by the Missouri Department of Health and Senior Services, Section of Health Statistics. The financial data is required to be submitted by the hospitals to the Missouri Department of Health and Senior Services. If the pertinent information is not available through the DHSS hospital database, the Division of Medical Services will use the Medicaid data similarly defined from the Medicaid cost report. The Division of Medical Services uses funds generated from the FRA program as the equivalent of General Revenue funds. The funds are distributed to the hospitals through a combination of payments.

The payments include funding for: inpatient per diems, outpatient payments, and add-on payments (such as direct Medicaid payments, uninsured, and utilization add-on payments). For a more detailed description of the FRA program see the FRA narrative.

#### Trends

The elderly and persons with disabilities are the highest users of health care services and costliest population per capita. These two populations represent 23% of all Medicaid eligibles and represent 67% of all expenditures. Persons with disabilities are the primary users of hospital services. This group accounts for over 39% of fee-for-service hospital users and 53% of fee-for-service hospital expenditures. The elderly are 14% of fee-for-service hospital users and use over 6% of fee-for-service hospital expenditures.

One method used to control costs is the pre-certification of inpatient hospital stays and certificate of need for patients under 21 admitted to psychiatric units or facilities. The reviews are done by a medical review agent. Admission and continued stay reviews are performed on a preapproved basis for all fee for service Medicaid recipients admitted to acute care hospitals except for certain pregnancy, delivery and newborn diagnoses and Medicare/Medicaid eligibles. The reviews are done to ensure that hospital admission and each day of inpatient care are medically necessary. The review may be performed prior to admission, post admission or retrospectively. An initial length of stay (LOS) is assigned by a nurse or physician reviewer.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Sections 1905(a)(1) and (2), 1923(a)-(f);  
Federal Regulations: 42 CFR 440.10 and 440.20

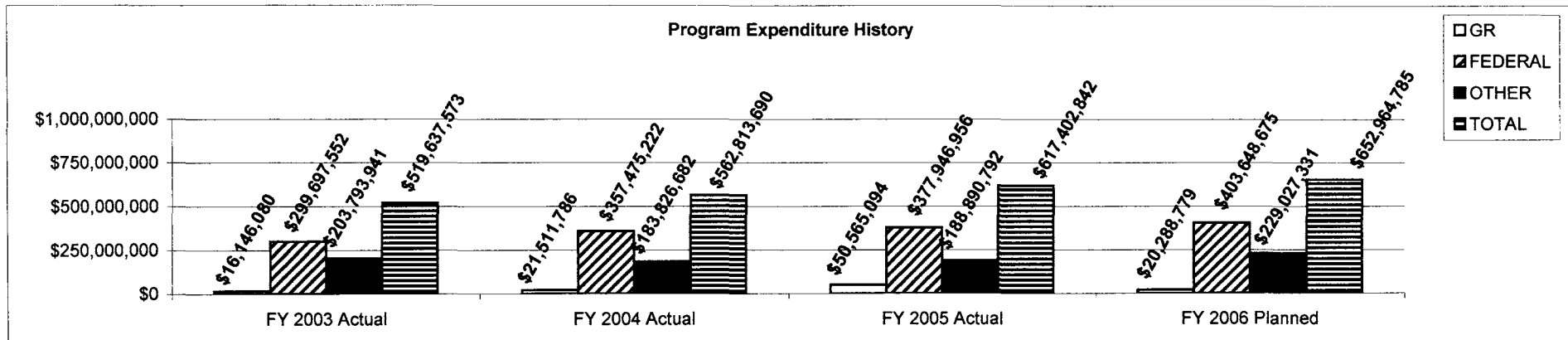
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

**4. Is this a federally mandated program? If yes, please explain.**

Yes, if the state elects to have a Medicaid program.

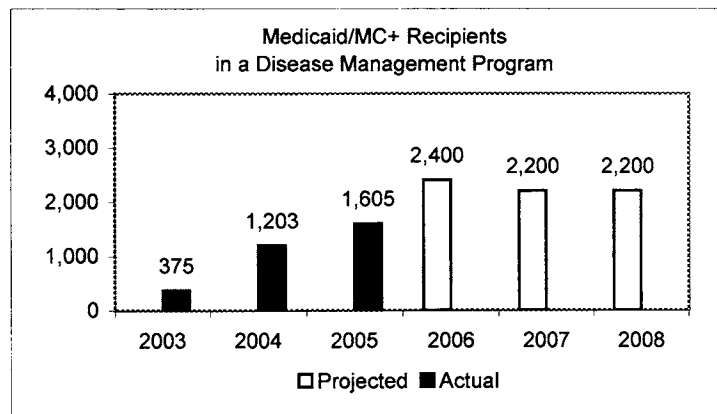
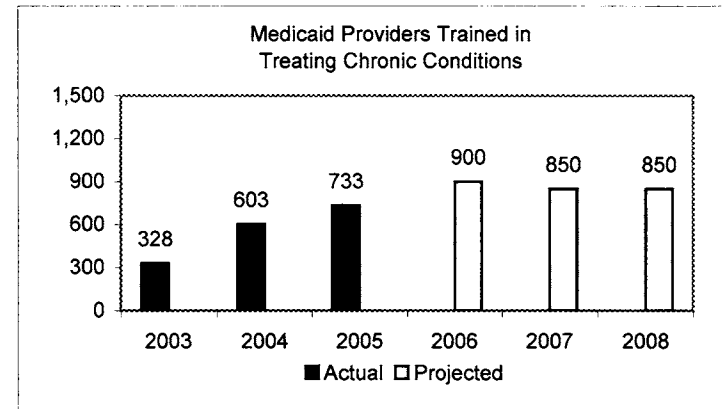
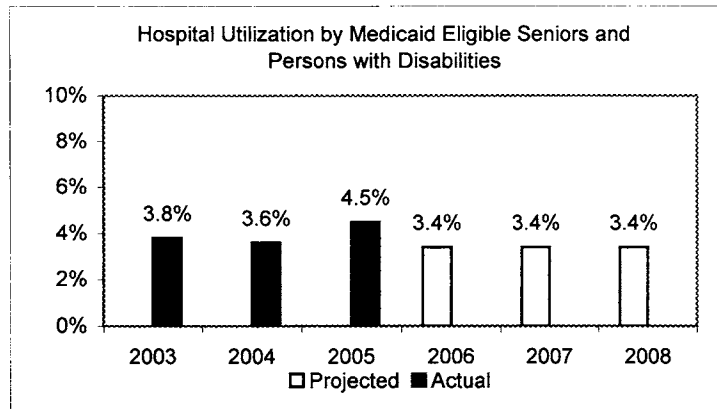
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Uncompensated Care Fund (0108), Federal Reimbursement Allowance Fund (0142), Health Initiatives Fund (0275), Healthy Families Trust-Health Care Account (0640), Third Party Liability Collections Fund (0120) and Intergovernmental Transfer Fund (0139) not available in FY 06.

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Inpatient and outpatient services are available to all fee for service Medicaid/MC+ eligibles. In those regions of the state where MC+ managed care has been implemented enrollees have hospital services available through the MC+ managed care health plans.

Average Monthly Hospital Services Users		
SFY	Actual	Projected
2003	92,392	
2004	100,604	
2005	102,883	
2006		104,941
2007		107,040
2008		109,181

Number of Inpatient Days (Thousands)		
SFY	Actual	Projected
2003	600.8	516.5
2004	585.8	606.8
2005	640.9	612.9
2006		698.6
2007		761.5
2008		830.0

Number of Outpatient Services (Thousands)		
SFY	Actual	Projected
2003	4,922.0	3,400.0
2004	5,887.0	5,168.0
2005	6,943.2	7,064.0
2006		8,193.0
2007		9,667.7
2008		11,407.9

**7d. Provide a customer satisfaction measure, if available.**



# **FY07 Department of Social Services Report #9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>TIER 1 SAFETY NET HOSPITALS</b>								
<b>CORE</b>								
<b>PROGRAM-SPECIFIC</b>								
TITLE XIX-FEDERAL AND OTHER	5,337,913	0.00	23,000,000	0.00	23,000,000	0.00	23,000,000	0.00
TOTAL - PD	5,337,913	0.00	23,000,000	0.00	23,000,000	0.00	23,000,000	0.00
<b>TOTAL</b>	<b>5,337,913</b>	<b>0.00</b>	<b>23,000,000</b>	<b>0.00</b>	<b>23,000,000</b>	<b>0.00</b>	<b>23,000,000</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$5,337,913</b>	<b>0.00</b>	<b>\$23,000,000</b>	<b>0.00</b>	<b>\$23,000,000</b>	<b>0.00</b>	<b>\$23,000,000</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: Tier 1 Safety Net Hospitals

Budget Unit Number: 90558C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD		23,000,000		23,000,000
Total		23,000,000		23,000,000
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD		23,000,000		23,000,000
Total		23,000,000		23,000,000
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

## 2. CORE DESCRIPTION

This core request is for ongoing funding to reimburse for physician services provided to Medicaid clients and the uninsured through Tier 1 Safety Net Hospitals. The payments maximize eligible costs by utilizing current state and local funding sources as match for services that are not currently matched with federal Medicaid payments.

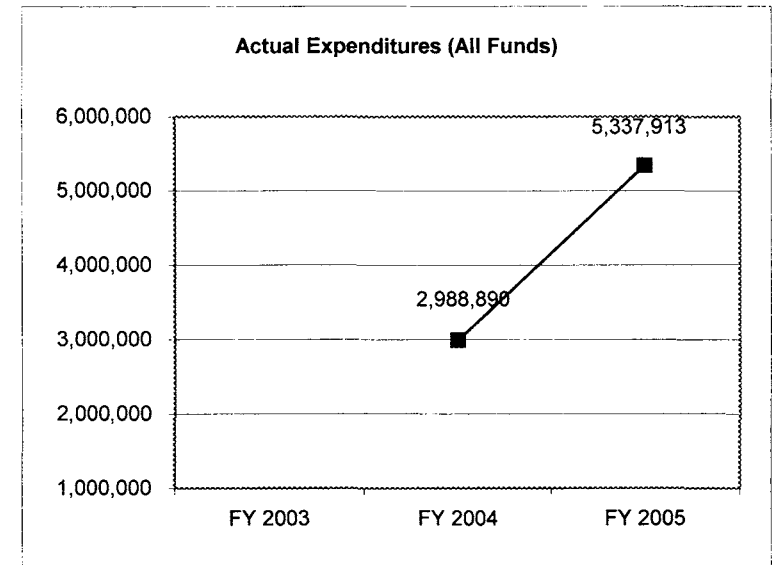
## 3. PROGRAM LISTING (list programs included in this core funding)

Tier 1 Safety Net Hospitals

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)		23,000,000	23,000,000	23,000,000
Less Reverted (All Funds)				N/A
Budget Authority (All Funds)	0	23,000,000	23,000,000	N/A
Actual Expenditures (All Funds)		2,988,890	5,337,913	N/A
Unexpended (All Funds)	0	20,011,110	17,662,087	N/A
Unexpended, by Fund:				
General Revenue				N/A
Federal		20,011,110	17,662,087	N/A
Other				N/A
		(1)	(3)	
		(2)		



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) New Program in FY 2004.

(2) Lapse of \$20,011,110 is excess federal authority resulting from delayed implementation.

(3) Lapse of \$17,662,087 in excess federal authority.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****TIER 1 SAFETY NET HOSPITALS**

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**5. CORE RECONCILIATION**

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	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<hr/>							
TAFP AFTER VETOES	PD	0.00	0	23,000,000	0	23,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>23,000,000</b>	<b>0</b>	<b>23,000,000</b>	
<hr/>							
DEPARTMENT CORE REQUEST	PD	0.00	0	23,000,000	0	23,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>23,000,000</b>	<b>0</b>	<b>23,000,000</b>	
<hr/>							
GOVERNOR'S RECOMMENDED CORE	PD	0.00	0	23,000,000	0	23,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>23,000,000</b>	<b>0</b>	<b>23,000,000</b>	
<hr/>							

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
TIER 1 SAFETY NET HOSPITALS								
CORE								
PROGRAM DISTRIBUTIONS	5,337,913	0.00	23,000,000	0.00	23,000,000	0.00	23,000,000	0.00
TOTAL - PD	5,337,913	0.00	23,000,000	0.00	23,000,000	0.00	23,000,000	0.00
GRAND TOTAL	\$5,337,913	0.00	\$23,000,000	0.00	\$23,000,000	0.00	\$23,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$5,337,913	0.00	\$23,000,000	0.00	\$23,000,000	0.00	\$23,000,000	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

**Department:** Social Services

**Program Name:** Tier 1 Safety Net Hospitals

**Program is found in the following core budget(s):** Tier 1 Safety Net Hospitals

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payments for Medicaid clients and the uninsured through Tier 1 safety net hospitals. Safety net hospitals traditionally see a high volume of Medicaid/uninsured patients. This program was established to provide a funding mechanism to enhance payments to these hospitals.*

Enhanced payments have been made to Truman Physicians and University Physicians. Appropriated funding was based on the following ideas and projections:

Enhanced Payment for Truman Physicians      \$ 5,000,000

Enhanced Payment for University Physicians      \$ 3,000,000

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Sections 1905(a)(1) and (2), 1923(a)-(f);

Federal Regulations: 42 CFR 440.10 and 440.20

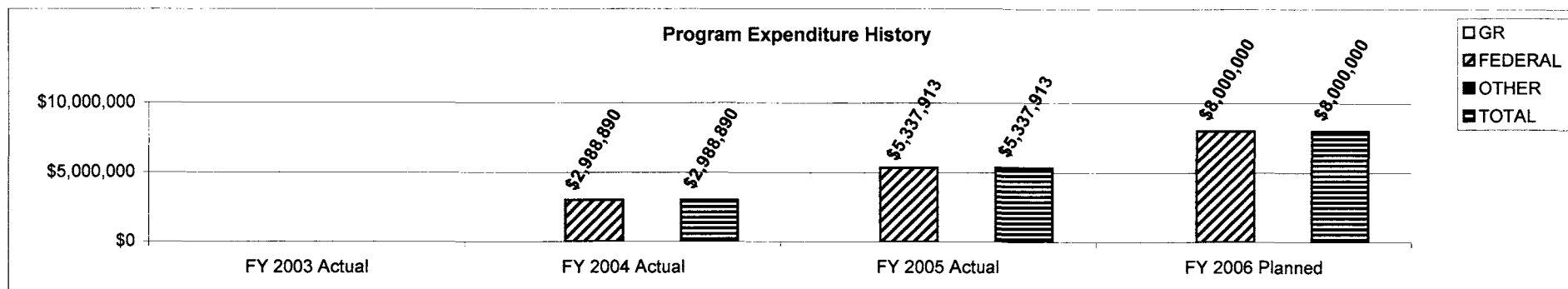
### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%. For those public entities identified above who use state and local general revenue to provide eligible services to Medicaid eligible individuals, DMS provides payment of the federal share for these eligible services.

### 4. Is this a federally mandated program? If yes, please explain.

No.

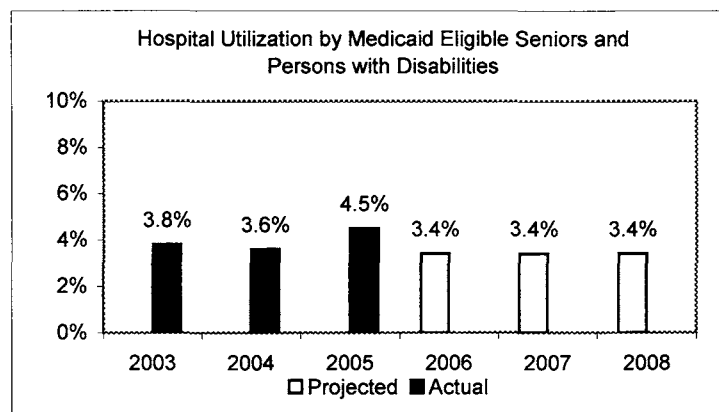
5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other" funds?

N/A

7a. Provide an effectiveness measure.



7b. Provide an efficiency measure.

7c. Provide the number of clients/individuals served, if applicable.

7d. Provide a customer satisfaction measure, if available.



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>FQHC DISTRIBUTION</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	6,492,500	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
TOTAL - PD	6,492,500	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
<b>TOTAL</b>	<b>6,492,500</b>	<b>0.00</b>	<b>8,000,000</b>	<b>0.00</b>	<b>8,000,000</b>	<b>0.00</b>	<b>8,000,000</b>	<b>0.00</b>
<b>FQHC Expansion - 1886032</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	700,000	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	700,000	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>700,000</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$6,492,500</b>	<b>0.00</b>	<b>\$8,000,000</b>	<b>0.00</b>	<b>\$8,000,000</b>	<b>0.00</b>	<b>\$8,700,000</b>	<b>0.00</b>

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**CORE DECISION ITEM**

**Department: Social Services**  
**Division: Medical Services**  
**Appropriation: Federally Qualified Heath Centers (FQHC)**

**Budget Unit Number: 90559C**

**1. CORE FINANCIAL SUMMARY**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	8,000,000			8,000,000
<b>Total</b>	<b>8,000,000</b>			<b>8,000,000</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	8,000,000			8,000,000
<b>Total</b>	<b>8,000,000</b>			<b>8,000,000</b>
<b>FTE</b>				<b>0.00</b>

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds:

**2. CORE DESCRIPTION**

This core request is to allow Federally Qualified Health Centers (FQHCs) to provide more services in their facilities and improve access to health care for the uninsured and under-insured. Funding for this core is for equipment and infrastructure in the FQHC and to cover the expense of providing health care services in the FQHC setting.

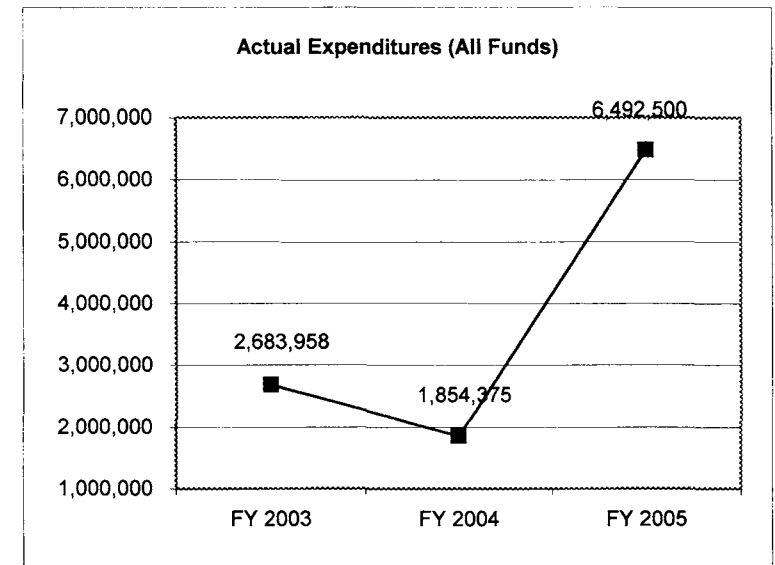
**3. PROGRAM LISTING (list programs included in this core funding)**

Federally Qualified Health Centers (FQHC)

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	3,000,000	2,000,000	7,000,000	8,000,000
Less Reverted (All Funds)	(240,000)	(60,000)	(210,000)	N/A
Budget Authority (All Funds)	2,760,000	1,940,000	6,790,000	N/A
Actual Expenditures (All Funds)	2,683,958	1,854,375	6,492,500	N/A
Unexpended (All Funds)	76,042	85,625	297,500	N/A
Unexpended, by Fund:				
General Revenue		85,625	297,500	N/A
Federal				N/A
Other	76,042			N/A



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****FQHC DISTRIBUTION**

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**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	PD	0.00	8,000,000	0	0	8,000,000	
	<b>Total</b>	<b>0.00</b>	<b>8,000,000</b>	<b>0</b>	<b>0</b>	<b>8,000,000</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PD	0.00	8,000,000	0	0	8,000,000	
	<b>Total</b>	<b>0.00</b>	<b>8,000,000</b>	<b>0</b>	<b>0</b>	<b>8,000,000</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	8,000,000	0	0	8,000,000	
	<b>Total</b>	<b>0.00</b>	<b>8,000,000</b>	<b>0</b>	<b>0</b>	<b>8,000,000</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FQHC DISTRIBUTION								
CORE								
PROGRAM DISTRIBUTIONS	6,492,500	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
TOTAL - PD	6,492,500	0.00	8,000,000	0.00	8,000,000	0.00	8,000,000	0.00
GRAND TOTAL	\$6,492,500	0.00	\$8,000,000	0.00	\$8,000,000	0.00	\$8,000,000	0.00
GENERAL REVENUE	\$6,492,500	0.00	\$8,000,000	0.00	\$8,000,000	0.00	\$8,000,000	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Federally Qualified Health Centers (FQHC) Distribution

Program is found in the following core budget(s): Federally Qualified Health Centers (FQHC) Distribution

### 1. What does this program do?

*PROGRAM SYNOPSIS: Allows Federally Qualified Health Centers to provide more services in their facilities and improve access to health care for the uninsured and under-insured. Grant funds are used for capital expansion, infrastructure redesigning, and primary health care for the uninsured.*

FQHCs are community health centers that provide comprehensive primary care to low-income and medically under-served urban and rural communities. Because of an inadequate number of providers, Missourians have found it difficult to find health care providers and are subject to lengthy postponements in receiving health care services. In rural areas, these issues are more pronounced as people must frequently travel to larger cities in order to receive necessary care. By equipping the FQHCs with infrastructure and personnel, the under-served population will have increased access to health care, especially in medically under-served areas.

Examples of ways these grants help expand access to health care services for the low-income and uninsured include: 1) Supporting nontraditional hours of operation (weekend and special evening hours). FQHCs recognize that many Missourians do not have the luxury of accessing care during normal business hours. 2) Defraying the costs of caring for the uninsured. FQHCs are required to accept uninsured patient as they do insured patients. 3) Fund staff and infrastructure to provide services not usually accessible to FQHC patients such as dental services.

The Department of Social Services has contracted with the Missouri Primary Care Association to act as a fiscal intermediary for the distribution of the FQHC grants, assuring accurate and timely payments to the subcontractors and to act as a central data collection point for evaluation of program impact and outcomes. The Missouri Primary Care Association is recognized as Missouri's single primary care association by the Federal Health Resource Service Administration. The goals of the nation's Primary Care Associations are to partner in the development, maintenance and improvement of access to health care services, reducing disparities in health status between majority and minority populations.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.153, 208.201, 660.026; Federal law: Social Security Act Section 1905(a)(2); Federal regulation: 42 CFR 440.210, 440.500

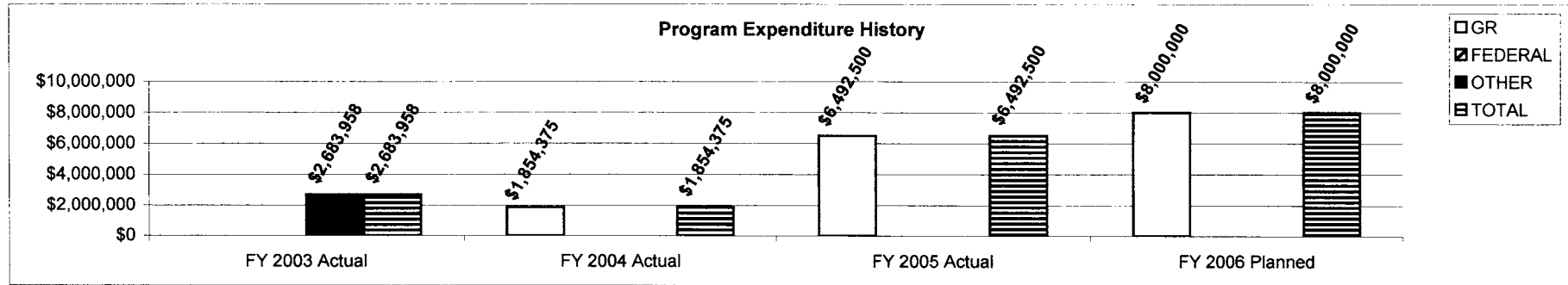
### 3. Are there federal matching requirements? If yes, please explain.

This is a state-only program using 100% General Revenue funding.

### 4. Is this a federally mandated program? If yes, please explain.

No.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

FY 2003 - Intergovernmental Transfer Fund (0139)

**7a. Provide an effectiveness measure.**

**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

These are grants to FQHC sites.

	FQHC Users by Service					
	Medical		Dental		Mental Health	
	Actual	Projected	Actual	Projected	Actual	Projected
2003	215,101	216,312	49,160	46,458	7,050	6,081
2004	222,351	227,128	66,380	48,781	11,007	6,385
2005		229,022		76,337		13,318
2006		235,893		87,788		16,115
2007		235,893		87,788		16,115
2008		235,893		87,788		16,115

Note: Information is based on calendar year.

**7d. Provide a customer satisfaction measure, if available.**

## NEW DECISION ITEM

RANK: 999

Department: Social Services

Division: Medical Services

DI Name: FQHC Expansion

Budget Unit Number: 90559C

DI#: 886032

## 1. AMOUNT OF REQUEST

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD				0
Total				0
FTE				0.00

Est. Fringe	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	700,000			700,000
Total	700,000			700,000
FTE				0.00

Est. Fringe				
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

☐ New Legislation  
☐ Federal Mandate  
☐ GR Pick-Up  
☐ Pay Plan

☒ New Program  
☐ Program Expansion  
☐ Space Request  
☐ Other:

☐ Supplemental  
☐ Cost to Continue  
☐ Equipment Replacement

## 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding to expand health care access through additional funding for FQHC service grants.

Funding is being requested for new FQHCs in Hannibal (\$300,000) and Jefferson City/Linn (\$200,000) and for Highlands Health Care Center to open satellite sites in Butler and Ripley counties (\$200,000). This will be in addition to the \$8,000,000 that is already in the core for FQHCs.

State statute: RSMo. 208.153, 208.201, 660.026; Federal law: Social Security Act Section 1905(a)(2); Federal regulation: 42 CFR 440.210, 440.500

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Federally Qualified Health Centers (FQHCs) provide access to health care for the uninsured and under-insured Missourians. Currently, there are 19 FQHCs with 100 locations statewide. Funding for this decision item will provide for equipment and infrastructure for health centers in Hannibal and Jefferson City/Linn, and to expand Highlands Health Care Center in Ellington with satellite facilities in Butler and Ripley counties.

	GR
New Facility funding	500,000
Satellite Facility funding	200,000
	<u>700,000</u>

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Total PSD	0		0		0		0		0
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0
Total EE	0		0		0		0		0
Program Distributions	700,000						700,000		
Total PSD	700,000		0		0		700,000		0
Grand Total	700,000	0.0	0	0.0	0	0.0	700,000	0.0	0

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

6a. Provide an effectiveness measure.

6b. Provide an efficiency measure.

6c. Provide the number of clients/individuals served, if applicable.

FQHC Users by Service						
	Medical		Dental		Mental Health	
	Actual	Projected	Actual	Projected	Actual	Projected
2003	215,101	216,312	49,160	46,458	7,050	6,081
2004	222,351	227,128	66,380	48,781	11,007	6,385
2005		229,022		76,337		13,318
2006		235,893		87,788		16,115
2007		266,448		79,544		13,190
2008		281,284		83,974		13,924

Note: Information is based on calendar year.

6d. Provide a customer satisfaction measure, if available.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Provide grants to FQHC site for construction of new facilities in Hannibal and Jefferson City/Linn.
- Provide grants for construction of satellite facilities in Butler and Ripley counties.

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FQHC DISTRIBUTION								
FQHC Expansion - 1886032								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	700,000	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	700,000	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$700,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$700,000	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# **FY07 Department of Social Services Report #9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>FED REIMB ALLOWANCE</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
FEDERAL REIMBURSEMENT ALLOWANCE	578,489,422	0.00	385,000,000	0.00	385,000,000	0.00	385,000,000	0.00
TOTAL - PD	578,489,422	0.00	385,000,000	0.00	385,000,000	0.00	385,000,000	0.00
<b>TOTAL</b>	<b>578,489,422</b>	<b>0.00</b>	<b>385,000,000</b>	<b>0.00</b>	<b>385,000,000</b>	<b>0.00</b>	<b>385,000,000</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$578,489,422</b>	<b>0.00</b>	<b>\$385,000,000</b>	<b>0.00</b>	<b>\$385,000,000</b>	<b>0.00</b>	<b>\$385,000,000</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Federal Reimbursement Allowance (FRA)

Budget Unit Number: 90553C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD			385,000,000	385,000,000	PSD			385,000,000	385,000,000
Total			385,000,000	385,000,000	Total			385,000,000	385,000,000
				E					E
FTE				0.00	FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Federal Reimbursement Allowance Fund (0142)

Other Funds: Federal Reimbursement Allowance Fund (0142)

Notes: An "E" is requested for the \$385,000,000 Federal Reimbursement Allowance Fund

Notes: An "E" is requested for the \$385,000,000 Federal Reimbursement Allowance Fund

## 2. CORE DESCRIPTION

This core request is for ongoing funding to reimburse for hospital services and managed care premiums provided to Medicaid clients and the uninsured. Funding for this core is used to maintain hospital reimbursement at a sufficient level to ensure quality health care and provider participation. Hospitals are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent and when used to make valid Medicaid payments, earns federal dollars. These earnings fund this FRA program appropriation.

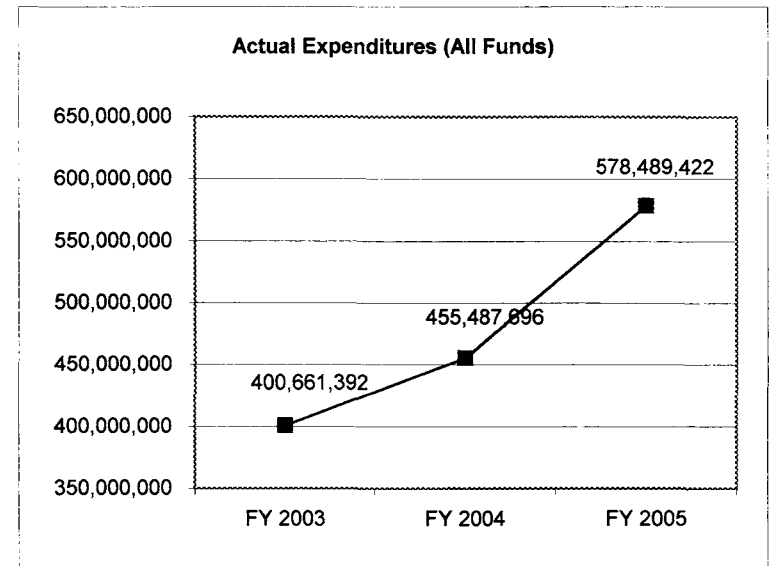
## 3. PROGRAM LISTING (list programs included in this core funding)

Hospital - Federal Reimbursement Allowance

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	483,000,000	455,487,700	602,283,000	385,000,000 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	483,000,000	455,487,700	602,283,000	N/A
Actual Expenditures (All Funds)	400,661,392	455,487,696	578,489,422	N/A
Unexpended (All Funds)	82,338,608	4	23,793,578	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	4	0	N/A
Other	82,338,608	0	23,793,578	N/A
	(1)		(2)	
			(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

Estimated "E" appropriations in FY 2003 through FY 2006.

(1) Lapse of \$82,338,608 is excess FRA authority. Estimated appropriations were increased inappropriately.

(2) Lapse of \$23,793,578 is excess FRA authority.

(3) Includes 175% DSH payments.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES**

**FED REIMB ALLOWANCE**

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**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	PD	0.00	0	0	385,000,000	385,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>385,000,000</b>	<b>385,000,000</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PD	0.00	0	0	385,000,000	385,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>385,000,000</b>	<b>385,000,000</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	0	0	385,000,000	385,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>385,000,000</b>	<b>385,000,000</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FED REIMB ALLOWANCE								
CORE								
PROGRAM DISTRIBUTIONS	578,489,422	0.00	385,000,000	0.00	385,000,000	0.00	385,000,000	0.00
TOTAL - PD	578,489,422	0.00	385,000,000	0.00	385,000,000	0.00	385,000,000	0.00
GRAND TOTAL	\$578,489,422	0.00	\$385,000,000	0.00	\$385,000,000	0.00	\$385,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$578,489,422	0.00	\$385,000,000	0.00	\$385,000,000	0.00	\$385,000,000	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Federal Reimbursement Allowance (FRA)**

**Program is found in the following core budget(s): Federal Reimbursement Allowance (FRA)**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides ongoing reimbursement for hospital services and managed care premiums provided to Medicaid clients and the uninsured.*

The FRA program provides payments for hospital inpatient services, outpatient services, managed care capitated payments and 1115 Waiver services (using the FRA assessment as general revenue equivalent). The FRA program supplements payments for the cost of providing care to Medicaid recipients under Title XIX of the Social Security Act and to the uninsured. Hospitals are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent and when used to make valid Medicaid payments, earns federal dollars. These earnings fund the FRA program.

Currently 134 hospitals participate in the FRA program. The current FRA assessment for fiscal year 2006 is 5.54% of total operating revenue less tax revenue/other government appropriations, plus non-operating gains and losses as published by the Missouri Department of Health and Senior Services, Section of Health Statistics. The financial data is required to be submitted by the hospitals to the Missouri Department of Health and Senior Services. If the pertinent information is not available through the DHSS hospital database, the Division of Medical Services will use the Medicaid data similarly defined from the Medicaid cost report. The program generates funding that is used to fund Medicaid programs.

The FRA program reimburses hospitals for certain cost as outlined below:

- Higher Inpatient Per Diems - Higher per diems were granted in October 1992 when the FRA program started. At that time, rates for the general plan hospitals were rebased to the 1990 cost reports. In April 1998, hospitals were rebased to the 1995 cost reports.
- Increased Outpatient Payment - 20% of outpatient costs are made through FRA funding. An outpatient prospective reimbursement methodology was implemented on July 1, 2002.
- Direct Medicaid Payments - The hospital receives additional lump sum payments to cover their unreimbursed costs for providing services to Medicaid patients. These payments, along with per diem payments, provide 100% of the cost for Medicaid recipients.
- Uninsured Add-on - Payments for the cost of providing services to patients that do not have insurance (charity care and bad debts). For FY 2005, reimbursement for the uninsured cost was at 90% for non-Safety Net Hospitals and 100% for acute care Safety Net Hospital licensed for more than 50 beds or operated by DMH.
- Utilization Adjustment - This payment includes the utilization adjustment to recognize the increased cost per Medicaid patient day because of the reduction in total patient days caused by the implementation of MC+ Managed Care.
- Upper Payment Limit.
- Enhanced GME.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.453; Federal law: Social Security Act Section 1903(w); Federal Regulation: 42 CFR 443 Subpart B

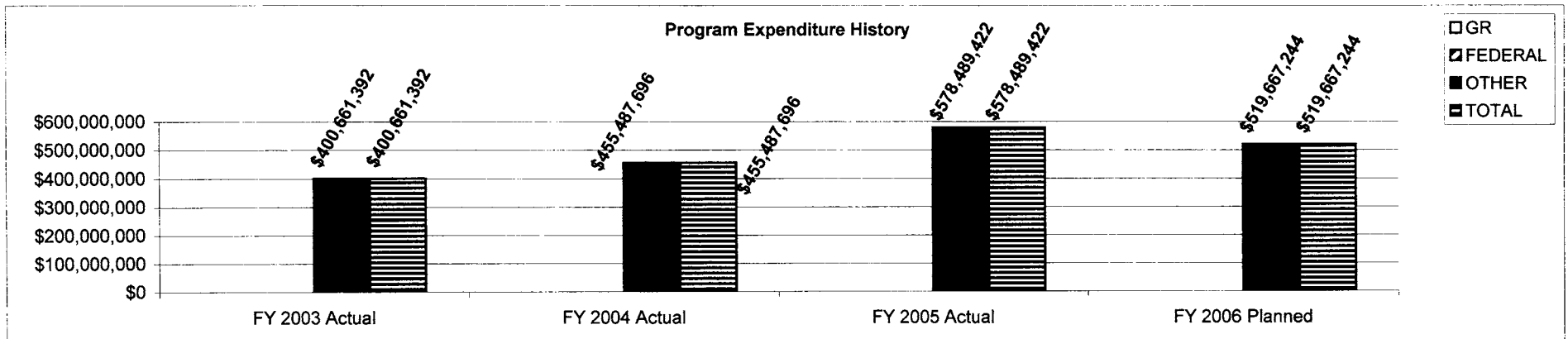
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%. The hospital assessments serve as the general revenue equivalent to earn Medicaid federal reimbursement.

**4. Is this a federally mandated program? If yes, please explain.**

No.

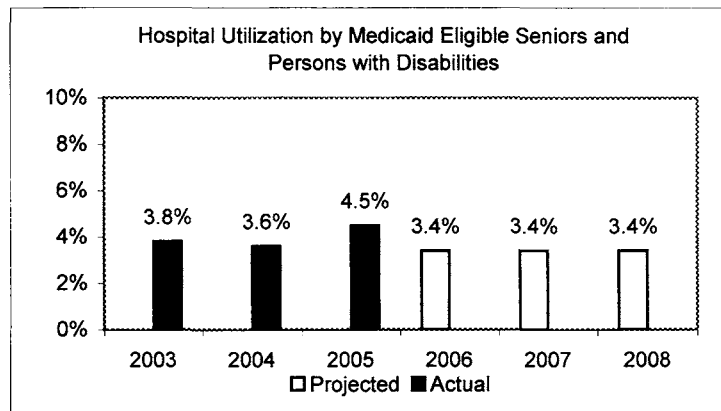
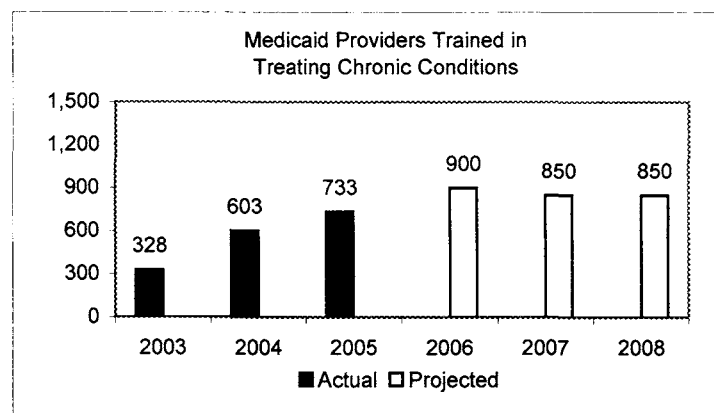
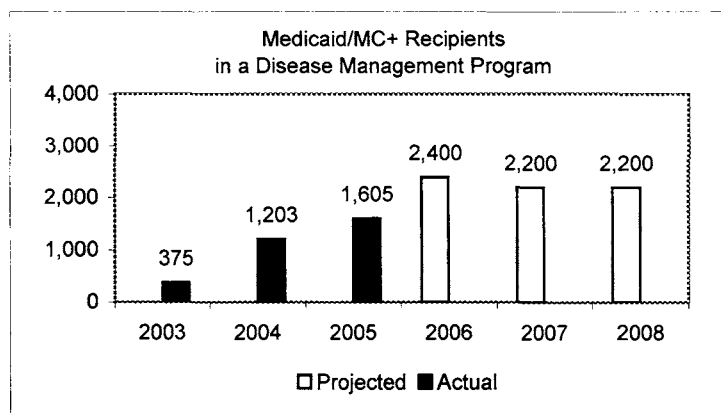
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Federal Reimbursement Allowance Fund (0142)

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

FRA Tax Assessments Revenues Obtained	
SFY	
2003	\$571.2 mil
2004	\$552.3 mil
2005	\$636.1 mil
2006	\$709.6 mil estimated
2007	
2008	

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

FRA payments are made on behalf of Medicaid  
eligibles and the uninsured accessing hospital  
services.

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HEALTH CARE ACCESS</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	697,518	0.00	627,703	0.00	627,703	0.00
TITLE XIX-FEDERAL AND OTHER	2,690,641	0.00	1,824,558	0.00	1,661,930	0.00	1,661,930	0.00
INTERGOVERNMENTAL TRANSFER	1,060,276	0.00	0	0.00	0	0.00	0	0.00
FEDERAL REIMBURSEMENT ALLOWANCE	395,888	0.00	167,756	0.00	167,756	0.00	167,756	0.00
PHARMACY REIMBURSEMENT ALLOWAN	89,128	0.00	30,411	0.00	30,411	0.00	30,411	0.00
TOTAL - PD	4,235,933	0.00	2,720,243	0.00	2,487,800	0.00	2,487,800	0.00
<b>TOTAL</b>	<b>4,235,933</b>	<b>0.00</b>	<b>2,720,243</b>	<b>0.00</b>	<b>2,487,800</b>	<b>0.00</b>	<b>2,487,800</b>	<b>0.00</b>
<b>Pharmacy Inflation/New Drugs - 1886010</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	25,517	0.00	21,488	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	41,072	0.00	34,587	0.00
TOTAL - PD	0	0.00	0	0.00	66,589	0.00	56,075	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>66,589</b>	<b>0.00</b>	<b>56,075</b>	<b>0.00</b>
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	50,253	0.00	50,253	0.00
TOTAL - PD	0	0.00	0	0.00	50,253	0.00	50,253	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>50,253</b>	<b>0.00</b>	<b>50,253</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$4,235,933</b>	<b>0.00</b>	<b>\$2,720,243</b>	<b>0.00</b>	<b>\$2,604,642</b>	<b>0.00</b>	<b>\$2,594,128</b>	<b>0.00</b>

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**CORE DECISION ITEM**

Department: Social Services  
 Division: Medical Services  
 Appropriation: Health Care Access (1115 Waiver Adults)

Budget Unit Number: 90554C

**1. CORE FINANCIAL SUMMARY**

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE				
PSD	627,703	1,661,930	198,167	2,487,800 E
Total	627,703	1,661,930	198,167	2,487,800 E
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Federal Reimbursement Allowance Fund (0142)  
 Pharmacy Reimbursement Allowance Fund (0144)

Note: An "E" is requested for federal fund authority.

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE				
PSD	627,703	1,661,930	198,167	2,487,800 E
Total	627,703	1,661,930	198,167	2,487,800 E
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Federal Reimbursement Allowance Fund (0142)  
 Pharmacy Reimbursement Allowance Fund (0144)

Note: An "E" is requested for federal fund authority.

**2. CORE DESCRIPTION**

This core request is for ongoing funding for health care services provided to Medicaid clients covered through the 1115 Waiver and its expansion. Funding for this core is used to provide coverage for women's health services.

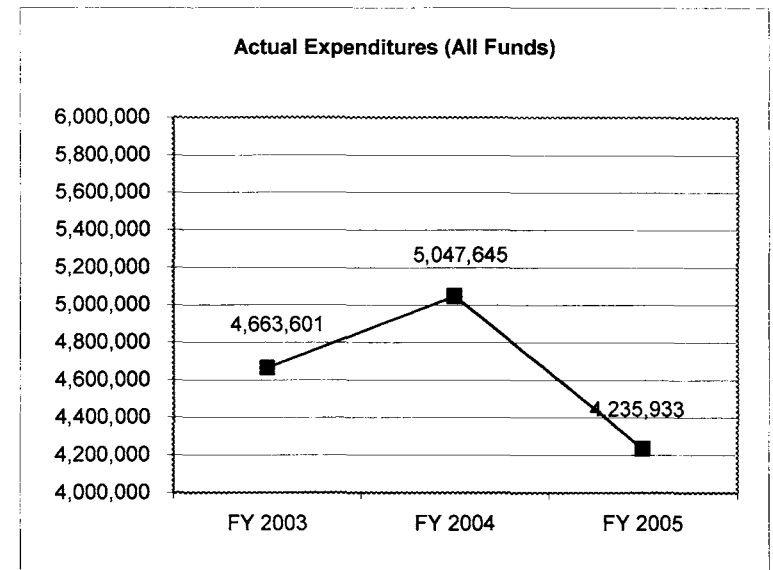
**3. PROGRAM LISTING (list programs included in this core funding)**

Health Care Access - 1115 Waiver Adults

**CORE DECISION ITEM**

**4. FINANCIAL HISTORY**

	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Current Yr.</b>	
Appropriation (All Funds)	22,673,901	5,875,924	5,476,044	2,720,243	E
Less Reverted (All Funds)	(5,214,317)	0	0	N/A	
Budget Authority (All Funds)	17,459,584	5,875,924	5,476,044	N/A	
Actual Expenditures (All Funds)	4,663,601	5,047,645	4,235,933	N/A	
Unexpended (All Funds)	12,795,983	828,279	1,240,111	N/A	
Unexpended, by Fund:					
General Revenue	0	552,455	0	N/A	
Federal	12,253,550	1	1,184,547	N/A	
Other	542,433	275,823	55,564	N/A	
	<b>(1)</b>	<b>(2)</b>			



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

**NOTES:**

**(1)** Agency reserve of \$286,673 IGT and federal fund lapse taken as a core cut in FY 2004.

**(2)** Agency reserve of \$200,000 empty FRA authority. Decrease of \$750,000 to FY 05 Health Care Access appropriation based on FY 04 lapse. Expenditures of \$369,721 paid from Supplemental Pool.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**

**HEALTH CARE ACCESS**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	697,518	1,824,558	198,167	2,720,243	
		<b>Total</b>	<b>0.00</b>	<b>697,518</b>	<b>1,824,558</b>	<b>198,167</b>	<b>2,720,243</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#873]	PD	0.00	0	(50,253)	0	(50,253)	FMAP Adjustment
Core Reduction	[#910]	PD	0.00	(69,815)	(112,375)	0	(182,190)	Annualize savings from elimination of Extended Transitional Medical Assistance program. One month savings in FY 2007.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(69,815)</b>	<b>(162,628)</b>	<b>0</b>	<b>(232,443)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	627,703	1,661,930	198,167	2,487,800	
		<b>Total</b>	<b>0.00</b>	<b>627,703</b>	<b>1,661,930</b>	<b>198,167</b>	<b>2,487,800</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	627,703	1,661,930	198,167	2,487,800	
		<b>Total</b>	<b>0.00</b>	<b>627,703</b>	<b>1,661,930</b>	<b>198,167</b>	<b>2,487,800</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HEALTH CARE ACCESS								
CORE								
PROGRAM DISTRIBUTIONS	4,235,933	0.00	2,720,243	0.00	2,487,800	0.00	2,487,800	0.00
TOTAL - PD	4,235,933	0.00	2,720,243	0.00	2,487,800	0.00	2,487,800	0.00
GRAND TOTAL	\$4,235,933	0.00	\$2,720,243	0.00	\$2,487,800	0.00	\$2,487,800	0.00
GENERAL REVENUE	\$0	0.00	\$697,518	0.00	\$627,703	0.00	\$627,703	0.00
FEDERAL FUNDS	\$2,690,641	0.00	\$1,824,558	0.00	\$1,661,930	0.00	\$1,661,930	0.00
OTHER FUNDS	\$1,545,292	0.00	\$198,167	0.00	\$198,167	0.00	\$198,167	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Health Care Access (1115 Waiver-Adults)**

**Program is found in the following core budget(s): Health Care Access (1115 Waiver-Adults)**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides funding for health care services to Medicaid clients covered by the 1115 waiver and its expansion. Medicaid clients covered through the 1115 waiver only include Women's Health Services. Other populations lost coverage as a result of a core reduction in SFY-2003 and SFY-2006.*

Under the 1115 Waiver, uninsured women losing their Medicaid eligibility 60 days after the birth of their child are eligible for women's health services only for one year under the Medicaid for Pregnant Women program. Women's health services are defined as:

- Pelvic exams and pap tests
- Sexually transmitted disease testing and treatment
- Family planning counseling/education on various methods of birth control
- Department of Health and Human Services approved methods of contraception
- Drugs, supplies or devices related to the women's health services described above when they are prescribed by a physician or advanced practice nurse (subject to the national drug rebate program requirements.)

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.040; Federal law: Social Security Act Sections 1115 and 1923(a)-(f); Federal Regulations: 42 CFR 438 and 433 Subpart B and 412.106

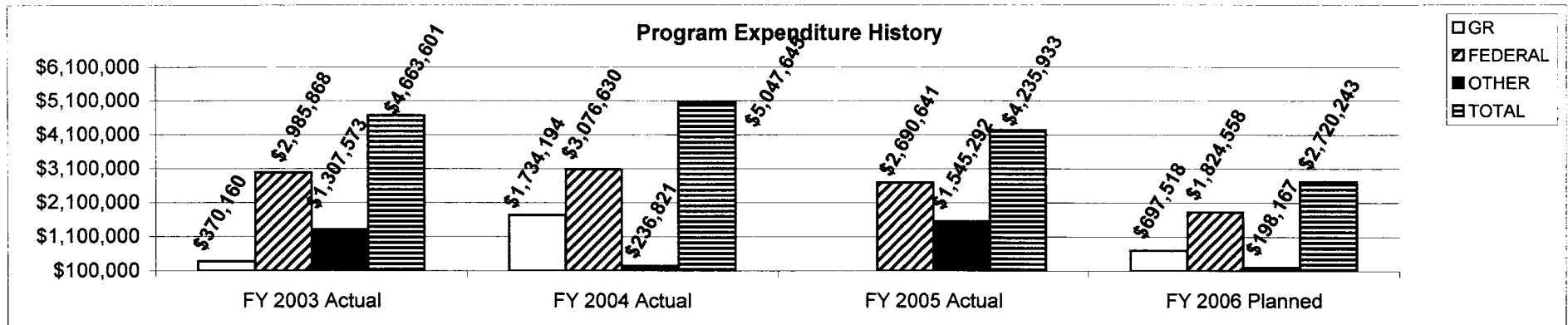
### 3. Are there federal matching requirements? If yes, please explain.

Most of the Women's Health Services are eligible for an enhanced 90% federal match, requiring a state match of only 10%.

### 4. Is this a federally mandated program? If yes, please explain.

No.

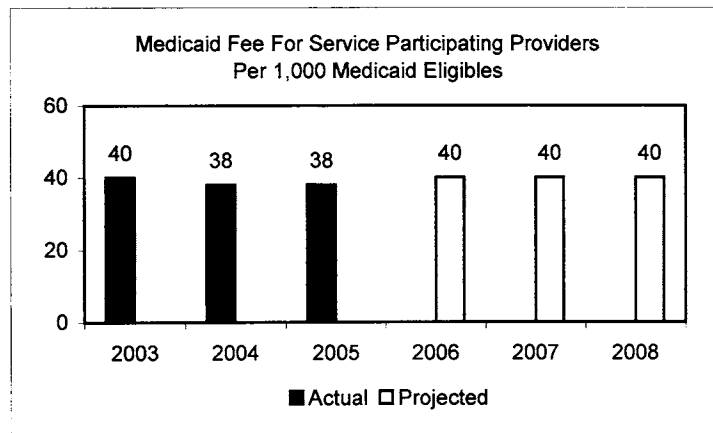
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Federal Reimbursement Allowance Fund (0142), Pharmacy Reimbursement Allowance Fund (0144) and Intergovernmental Transfer Fund (0139) not available in FY 06.

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Services are available for Women's Health Services.

Women's Health Services		
SFY	Actual	Projected
2003	9,789	
2004	9,511	
2005	10,025	
2006		10,526
2007		11,053
2008		11,605

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>CHILDREN'S HEALTH INS PROGRAM</b>									
<b>CORE</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	34,048	0.00	18,781,285	0.00	18,781,285	0.00	18,781,285	0.00	
TITLE XIX-FEDERAL AND OTHER	81,118,944	0.00	98,514,085	0.00	96,691,605	0.00	96,691,605	0.00	
PHARMACY REBATES	225,430	0.00	225,430	0.00	225,430	0.00	225,430	0.00	
INTERGOVERNMENTAL TRANSFER	16,424,469	0.00	0	0.00	0	0.00	0	0.00	
FEDERAL REIMBURSEMENT ALLOWANCE	8,191,223	0.00	7,719,204	0.00	7,719,204	0.00	7,719,204	0.00	
PHARMACY REIMBURSEMENT ALLOWAN	201,394	0.00	201,394	0.00	201,394	0.00	201,394	0.00	
MEDICAID MNG CARE ORG REIMB AL	0	0.00	1,071,200	0.00	1,071,200	0.00	1,071,200	0.00	
HEALTH INITIATIVES	4,896,669	0.00	5,203,765	0.00	5,203,765	0.00	5,203,765	0.00	
PREMIUM	442,573	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00	
TOTAL - PD	111,534,750	0.00	137,716,363	0.00	135,893,883	0.00	135,893,883	0.00	
<b>TOTAL</b>	<b>111,534,750</b>	<b>0.00</b>	<b>137,716,363</b>	<b>0.00</b>	<b>135,893,883</b>	<b>0.00</b>	<b>135,893,883</b>	<b>0.00</b>	
<b>Pharmacy Inflation/New Drugs - 1886010</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	339,327	0.00	285,749	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	925,873	0.00	779,682	0.00	
TOTAL - PD	0	0.00	0	0.00	1,265,200	0.00	1,065,431	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,265,200</b>	<b>0.00</b>	<b>1,065,431</b>	<b>0.00</b>	
<b>FY07 MC Phar Infl/Medical Util - 1886008</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	1,837,669	0.00	1,837,669	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	5,482,988	0.00	5,482,988	0.00	
HEALTH INITIATIVES	0	0.00	0	0.00	171,811	0.00	171,811	0.00	
TOTAL - PD	0	0.00	0	0.00	7,492,468	0.00	7,492,468	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>7,492,468</b>	<b>0.00</b>	<b>7,492,468</b>	<b>0.00</b>	
<b>FMAP - 1886009</b>									
PROGRAM-SPECIFIC									

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# **FY07 Department of Social Services Report #9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CHILDREN'S HEALTH INS PROGRAM</b>								
<b>FMAP - 1886009</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	1,822,480	0.00	1,822,480	0.00
TOTAL - PD	0	0.00	0	0.00	1,822,480	0.00	1,822,480	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,822,480</b>	<b>0.00</b>	<b>1,822,480</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$111,534,750</b>	<b>0.00</b>	<b>\$137,716,363</b>	<b>0.00</b>	<b>\$146,474,031</b>	<b>0.00</b>	<b>\$146,274,262</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Children's Health Insurance Program (CHIP)

Budget Unit Number: 90556C

## 1. CORE FINANCIAL SUMMARY

	FY 2007 Budget Request			
	GR	Federal	Other	Total
PS				
EE				
PSD	18,781,285	96,691,605	20,420,993	135,893,883
<b>Total</b>	<b>18,781,285</b>	<b>96,691,605</b>	<b>20,420,993</b>	<b>135,893,883</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

	FY 2007 Governor's Recommendation			
	GR	Federal	Other	Total
PS				
EE				
PSD	18,781,285	96,691,605	20,420,993	135,893,883
<b>Total</b>	<b>18,781,285</b>	<b>96,691,605</b>	<b>20,420,993</b>	<b>135,893,883</b>
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Federal Reimbursement Allowance Fund (0142)  
Health Initiatives Fund (0275)  
Medicaid Managed Care Organization Reimbursement Allowance Fund (0160)  
Pharmacy Rebates Fund (0114)  
Pharmacy Reimbursement Allowance Fund (0144)  
Premium Fund (0885)

Other Funds: Federal Reimbursement Allowance Fund (0142)  
Health Initiatives Fund (0275)  
Medicaid Managed Care Organization Reimbursement Allowance Fund (0160)  
Pharmacy Rebates Fund (0114)  
Pharmacy Reimbursement Allowance Fund (0144)  
Premium Fund (0885)

## 2. CORE DESCRIPTION

This core request is for ongoing funding for health care services provided to Medicaid clients covered through the 1115 Waiver. The State Children's Health Insurance Program (SCHIP) Title XXI funds are utilized for this expanded Medicaid population. Funding for this core is used to provide coverage for uninsured children.

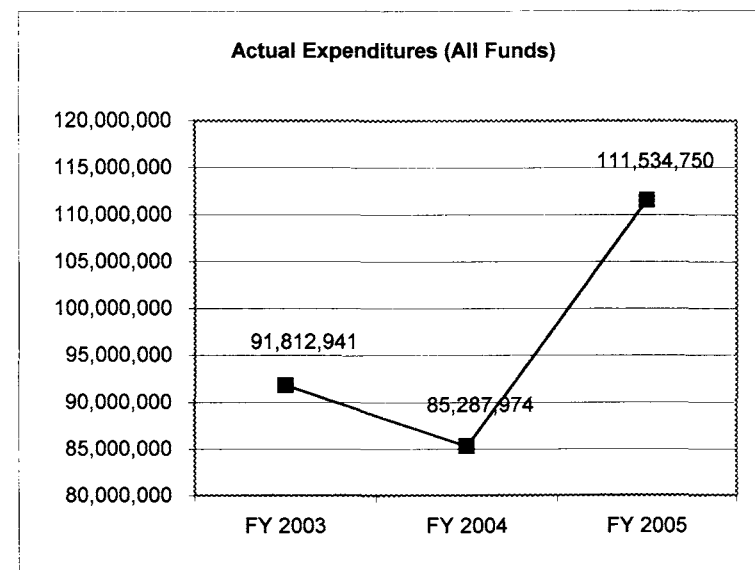
## 3. PROGRAM LISTING (list programs included in this core funding)

Children's Health Insurance Program (CHIP)

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	102,762,126	86,138,915	112,243,620	137,716,363
Less Reverted (All Funds)	(1,090,038)	(149,975)	(151,443)	N/A
Budget Authority (All Funds)	101,672,088	85,988,940	112,092,177	N/A
Actual Expenditures (All Funds)	91,812,941	85,287,974	111,534,750	N/A
Unexpended (All Funds)	9,859,147	700,966	557,427	N/A
Unexpended, by Fund:				
General Revenue	26,453	0	0	N/A
Federal	8,256,422	0	0	N/A
Other	1,576,272	700,966	557,427	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Agency reserve of \$5,602,500 in Federal Fund. This amount taken as a core cut in FY 2004 in addition to \$8,500,000 core cut for projected lapse (\$2.3 million General Revenue and \$6.2 million in Federal Fund). Expenditures of \$235,972 paid from the Supplemental Pool.

(2) Agency reserve of \$700,000 is excess Premium Fund authority. Expenditures of \$16,345,048 paid from the Supplemental Pool.

(3) Agency reserve of \$550,000 in Premium Fund. Expenditures of \$3,399,176 paid from the Supplemental Pool.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**  
**CHILDREN'S HEALTH INS PROGRAM**

**5. CORE RECONCILIATION**

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>								
		PD	0.00	18,781,285	98,514,085	20,420,993	137,716,363	
		<b>Total</b>	<b>0.00</b>	<b>18,781,285</b>	<b>98,514,085</b>	<b>20,420,993</b>	<b>137,716,363</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reduction	[#874]	PD	0.00	0	(1,822,480)	0	(1,822,480)	FMAP Adjustment
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>0</b>	<b>(1,822,480)</b>	<b>0</b>	<b>(1,822,480)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		PD	0.00	18,781,285	96,691,605	20,420,993	135,893,883	
		<b>Total</b>	<b>0.00</b>	<b>18,781,285</b>	<b>96,691,605</b>	<b>20,420,993</b>	<b>135,893,883</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		PD	0.00	18,781,285	96,691,605	20,420,993	135,893,883	
		<b>Total</b>	<b>0.00</b>	<b>18,781,285</b>	<b>96,691,605</b>	<b>20,420,993</b>	<b>135,893,883</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CHILDREN'S HEALTH INS PROGRAM								
CORE								
PROGRAM DISTRIBUTIONS	111,534,750	0.00	137,716,363	0.00	135,893,883	0.00	135,893,883	0.00
TOTAL - PD	111,534,750	0.00	137,716,363	0.00	135,893,883	0.00	135,893,883	0.00
GRAND TOTAL	\$111,534,750	0.00	\$137,716,363	0.00	\$135,893,883	0.00	\$135,893,883	0.00
GENERAL REVENUE	\$34,048	0.00	\$18,781,285	0.00	\$18,781,285	0.00	\$18,781,285	0.00
FEDERAL FUNDS	\$81,118,944	0.00	\$98,514,085	0.00	\$96,691,605	0.00	\$96,691,605	0.00
OTHER FUNDS	\$30,381,758	0.00	\$20,420,993	0.00	\$20,420,993	0.00	\$20,420,993	0.00

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Children's Health Insurance Program (CHIP)

Program is found in the following core budget(s): Children's Health Insurance Program (CHIP)

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides for eligibility for health care services to Medicaid clients covered through the 1115 waiver. The 1115 Waiver provides coverage to the uninsured children above existing Medicaid eligibility limits up to 300% of poverty.*

The State Children's Health Insurance Program (Title XXI) is integrated into Missouri's expanded Medicaid coverage. This integration was made possible through the passage of Senate Bill 632 of the second regular session of the 89th General Assembly (1998). Senate Bill 632 expanded the Medicaid program for children with family incomes from 200 percent to 300 percent of federal poverty.

Using the 1115 waiver, Missouri continues its commitment to improve medical care for its low income children by increasing their access to comprehensive medical services.

Eligible children must be under age 19, have a family income below 300 percent of the federal poverty level, be uninsured for six months or more, and have no access to other health insurance coverage for less than \$342 per month (for premium group only). Any child identified as having special health care needs, defined as a condition which left untreated would result in the death or serious physical injury of a child, that does not have access to affordable employer-subsidized health care insurance will not be required to be without health care coverage for six months in order to be eligible for services and will not be subject to the waiting period as long as the child meets all other qualifications for eligibility.

Uninsured children will receive a package of benefits equal to Medicaid coverage without non-emergency medical transportation. Parents of children eligible for coverage above 150% and below 300% of the federal poverty level must show parental responsibility through the following:

- participation in immunization and wellness programs;
- furnishing the uninsured child's social security number;
- cooperation with third party insurance carriers;
- cooperation in child support cases; and
- sharing in their children's health care costs through premiums.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.631 through 208.657; Federal law: Social Security Act Sections 1115, 1923(a)-(f), and 2101 through 2110;

Federal Regulations: 42 CFR 438, 433 Subpart B and 412.106

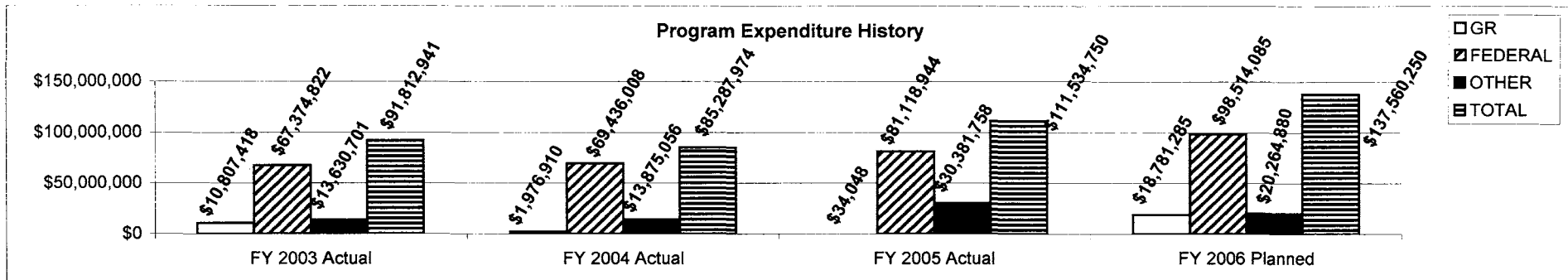
### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Missouri's enhanced CHIP FMAP for FY07 is a blended 73.18% federal match. The state matching requirement for the CHIP program is 26.82%.

**4. Is this a federally mandated program? If yes, please explain.**

No.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Pharmacy Rebates Fund (0114), Federal Reimbursement Allowance Fund (0142), Pharmacy Reimbursement Allowance Fund (0144), Health Initiatives Fund (0275), Premium Fund (0885), Intergovernmental Transfer (0139) not available in FY 06 and Medicaid Managed Care Organization Reimbursement Allowance Fund (0160) new in FY 06.

**7a. Provide an effectiveness measure.**

**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Children above existing Title XIX Medicaid eligibility up to 300% of poverty.

Children Receiving Services by Percent of Federal Poverty Level								
SFY	101-150%		151-185%		186-225%		226-300%*	
	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected
2003	39,598		27,518		16,472		1,236	
2004	41,210		28,638		17,463		1,582	
2005	42,075		29,239		19,062		1,789	
2006		47,240		20,866		10,604		2,737
2007		47,240		20,866		10,604		2,737
2008		47,929		21,171		10,759		2,777

\*Reflects only those paying a premium. Premiums for 151-225% FPL required as of September 2005.

Note: SFY03-05 projections did not breakout number of children by the same poverty level increments as reported above.

**7d. Provide a customer satisfaction measure, if available.**

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# **FY07 Department of Social Services Report #9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>UNCOMPENSATED CARE</b>								
<b>CORE</b>								
<b>PROGRAM-SPECIFIC</b>								
TITLE XIX-FEDERAL AND OTHER	23,600,075	0.00	25,000,000	0.00	25,000,000	0.00	25,000,000	0.00
TOTAL - PD	23,600,075	0.00	25,000,000	0.00	25,000,000	0.00	25,000,000	0.00
<b>TOTAL</b>	<b>23,600,075</b>	<b>0.00</b>	<b>25,000,000</b>	<b>0.00</b>	<b>25,000,000</b>	<b>0.00</b>	<b>25,000,000</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$23,600,075</b>	<b>0.00</b>	<b>\$25,000,000</b>	<b>0.00</b>	<b>\$25,000,000</b>	<b>0.00</b>	<b>\$25,000,000</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
Division: Medical Services  
Appropriation: Uncompensated Care

Budget Unit Number: 90555C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD		25,000,000		25,000,000	PSD		25,000,000		25,000,000
Total		25,000,000		25,000,000	Total		25,000,000		25,000,000
FTE				0.00	FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

Notes: An "E" is requested for the \$25,000,000 Federal Funds.

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

Notes: An "E" is requested for the \$25,000,000 Federal Funds.

## 2. CORE DESCRIPTION

This core request is for ongoing funding to reimburse for health care services provided to the uninsured in the St. Louis region through a primary care safety net system. Funding for this core is used to maintain reimbursement at a sufficient level to ensure quality health care and provider participation.

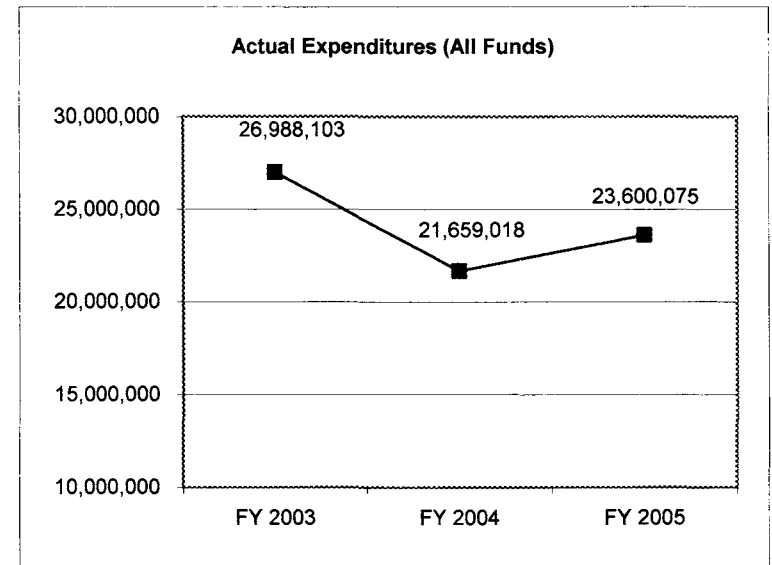
## 3. PROGRAM LISTING (list programs included in this core funding)

Uncompensated Care - St. Louis Regional DSH Funding Authority

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	27,000,000	25,000,000	25,000,000	25,000,000 E
Less Reverted (All Funds)	0	0		N/A
Budget Authority (All Funds)	27,000,000	25,000,000	25,000,000	N/A
Actual Expenditures (All Funds)	26,988,103	21,659,018	23,600,075	N/A
Unexpended (All Funds)	11,897	3,340,982	1,399,925	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	11,897	3,340,982	1,399,925	N/A
Other	0	0	0	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

Estimated "E" appropriations in FY 2003 through FY 2006.

- (1) Lapse of \$11,897 is excess RDFA which is reduced or increased proportionately to the DSH funding available to the state as a whole .
- (2) Lapse of \$3,340,982 is excess RDFA which is reduced or increased proportionately to the DSH funding available to the state as a whole .
- (3) Lapse of \$1,399,925 is excess RDFA which is reduced or increased proportionately to the DSH funding available to the state as a whole .

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****UNCOMPENSATED CARE**

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**5. CORE RECONCILIATION**

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	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<hr/>							
TAFP AFTER VETOES	PD	0.00	0	25,000,000	0	25,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>25,000,000</b>	<b>0</b>	<b>25,000,000</b>	
<hr/>							
DEPARTMENT CORE REQUEST	PD	0.00	0	25,000,000	0	25,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>25,000,000</b>	<b>0</b>	<b>25,000,000</b>	
<hr/>							
GOVERNOR'S RECOMMENDED CORE	PD	0.00	0	25,000,000	0	25,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>25,000,000</b>	<b>0</b>	<b>25,000,000</b>	
<hr/>							

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
UNCOMPENSATED CARE								
CORE								
PROGRAM DISTRIBUTIONS	23,600,075	0.00	25,000,000	0.00	25,000,000	0.00	25,000,000	0.00
TOTAL - PD	23,600,075	0.00	25,000,000	0.00	25,000,000	0.00	25,000,000	0.00
GRAND TOTAL	\$23,600,075	0.00	\$25,000,000	0.00	\$25,000,000	0.00	\$25,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$23,600,075	0.00	\$25,000,000	0.00	\$25,000,000	0.00	\$25,000,000	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

**Department:** Social Services

**Program Name:** Uncompensated Care

**Program is found in the following core budget(s):** Uncompensated Care

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides ongoing funding to reimburse for health care services provided to the uninsured in St. Louis region through a primary care safety net system.*

The State received approval for an 1115 Demonstration Waiver in order to make disproportionate share hospital (DSH) payments to a St. Louis Regional DSH Funding Authority (RDFA) for five years. The payments would be used to fund the recommendations of a regional health care authority to reshape and stabilize the provision of indigent health care delivery in the St. Louis area into a cohesive system. St. Louis ConnectCare has agreed to participate in the demonstration by surrendering its Missouri hospital license and moving to become an integral part of this cohesive community delivery system. The closing of an urban public hospital is always traumatic, but in this case, the plan is thoughtful and forward-looking. This waiver will be the cornerstone of building a new delivery system.

ConnectCare was established in 1997 as a stop gap solution to ensure continuity in health care for St. Louis' indigent population. Despite financial and organizational obstacles, the staff and board of ConnectCare have provided primary and specialty care to St. Louis' uninsured. ConnectCare operated a 24-bed hospital with a fully staffed emergency room, four primary care clinics, two specialty clinics, and a dialysis center. The financing of ConnectCare continues to be a major issue, relying on patchwork temporary and unstable financial commitments from St. Louis City, St. Louis County, DSS, the federal Department of Health and Human Services, and community religious and philanthropic organizations. The recent financing crisis suggests that it is time to advance the provision of indigent care in St. Louis to the next evolutionary stage. Even more importantly, the provision of indigent care in the community is haphazard in that coordination between different provider systems is almost non-existent. Duplication of facilities and a heavy reliance on belated emergency room care is the by-product.

St. Louis ConnectCare is being transitioned from an inpatient to an outpatient care facility to develop a system of care for the uninsured with a strong primary care focus. This will enable the St. Louis region to transition its "safety net" system of care for the medically indigent to a viable, self-sustaining model. By making uncompensated care payments to ConnectCare, the Division of Medical Services ensures that this type of care can continue to be provided in the St. Louis Region.

Providing health care services for the indigent population of St. Louis is beyond the capabilities of any one provider, or even one group of providers. Health Care for the indigent in St. Louis City and St. Louis County is a shared responsibility. Hospital emergency rooms are the most expensive and inefficient setting in which to provide primary health care and specialty care for the uninsured. Yet hospitals are currently the only Medicaid providers to receive funding for serving uninsured Missourians. The State will make disproportionate share payments, up to a fixed amount, to pay for primary health care and specialty care in a neighborhood clinic. This will allow Missouri to move primary health care and specialty care out of an inpatient hospital facility into community clinics.

The challenge of providing adequate health care coverage to the indigent population of St. Louis will only be resolved when a partnership of the St. Louis area health care provider systems; city, county and state governments; and concerned stakeholders in the community can come together with a clear consensus of what must be accomplished. The purpose is to re-vitalize health care services in St. Louis City and St. Louis County and meld together the St. Louis area's fragmented health care services for the indigent. The goal is to develop a system of care for the uninsured with a strong primary care focus. The region must work for a regional solution to a truly regional problem: meeting the medical needs of uninsured and underinsured residents of the City of St. Louis and St. Louis County. The region needs to make significant progress toward developing stable funding for indigent health instead of relying on a current patchwork of temporary and unstable financial commitments. There is currently insufficient participation in the financing of indigent care provided in a primary care setting and

a disorganized system of care. This primary care safety net system needs its own funding streams, but also needs to be well organized to streamline services, eliminate duplication, and better give its consumers the chance to reshape their health care seeking habits in a positive direction, holding promise for significant long-term improvements. The goal is to change the dynamics of the current patchwork indigent health care system to a healthy and efficient one.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.152, 208.153; Federal law: Social Security Act Sections 1115, 1923(a)-(f); Federal Regulation: 42 CFR 412.106

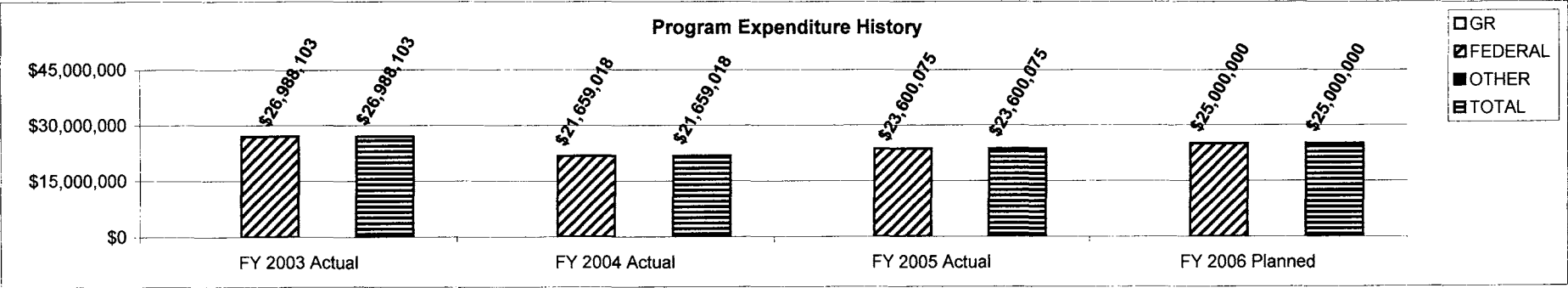
**3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%. The payments made to the St. Louis Regional DSH Funding Authority are allowed under the 1115 waiver. Certified public expenditures are utilized to satisfy the state matching requirement and draw down the federal funds.

**4. Is this a federally mandated program? If yes, please explain.**

No.

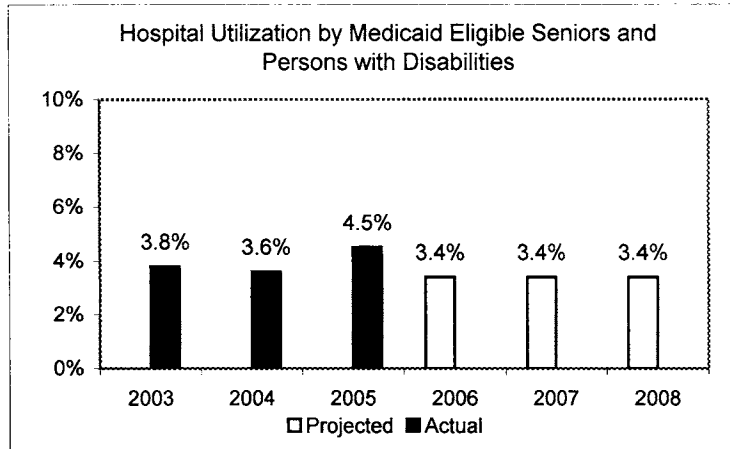
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**



**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

**7d. Provide a customer satisfaction measure, if available.**



# **FY07 Department of Social Services Report #9**

## **DECISION ITEM SUMMARY**

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITY FED REIMB AL</b>								
<b>CORE</b>								
<b>PROGRAM-SPECIFIC</b>								
NURSING FACILITY FED REIM ALLW	235,281,414	0.00	217,000,000	0.00	217,000,000	0.00	217,000,000	0.00
TOTAL - PD	235,281,414	0.00	217,000,000	0.00	217,000,000	0.00	217,000,000	0.00
<b>TOTAL</b>	<b>235,281,414</b>	<b>0.00</b>	<b>217,000,000</b>	<b>0.00</b>	<b>217,000,000</b>	<b>0.00</b>	<b>217,000,000</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$235,281,414</b>	<b>0.00</b>	<b>\$217,000,000</b>	<b>0.00</b>	<b>\$217,000,000</b>	<b>0.00</b>	<b>\$217,000,000</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services

Budget Unit Number: 90567C

Division: Medical Services

Appropriation: Nursing Facilities Federal Reimbursement Allowance (NFFRA) Payments

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD			217,000,000	217,000,000	PSD			217,000,000	217,000,000
Total			217,000,000	217,000,000	Total			217,000,000	217,000,000
				E					E
FTE				0.00	FTE				0.00

Est. Fringe	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Est. Fringe	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Nursing Facilities Federal Reimbursement Allowance (NFFRA) (0196)

Other Funds: Nursing Facilities Federal Reimbursement Allowance (NFFRA) (0196)

Notes: An "E" is requested for the \$217,000,000 Nursing Facility Federal Reimbursement Allowance Fund

Notes: An "E" is requested for the \$217,000,000 Nursing Facility Federal Reimbursement Allowance Fund

## 2. CORE DESCRIPTION

This core request is for ongoing funding for payments for long term care for Title XIX recipients. Funds from this core are used to provide enhanced payment rates for improving the quality of patient care using the Nursing Facility Federal Reimbursement Allowance under the Title XIX of the Social Security Act as General Revenue equivalent. Nursing facilities are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent, and when used to make valid Medicaid payments, earns federal dollars. These earnings fund this NFRA program appropriation.

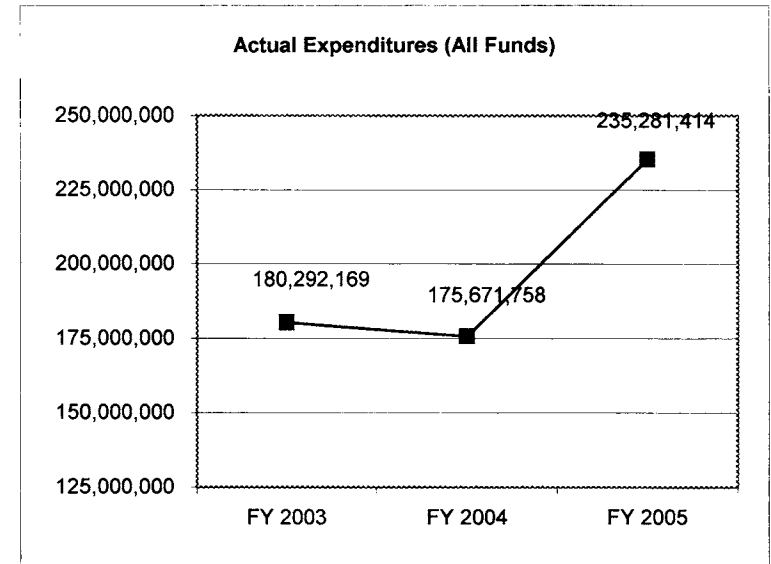
## 3. PROGRAM LISTING (list programs included in this core funding)

Nursing Facilities Federal Reimbursement Allowance (NFFRA) Program

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	185,000,000	185,000,000	235,281,440	217,000,000 E
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	185,000,000	185,000,000	235,281,440	N/A
Actual Expenditures (All Funds)	180,292,169	175,671,758	235,281,414	N/A
Unexpended (All Funds)	4,707,831	9,328,242	26	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	4,707,831	9,328,242	26	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

Estimated "E" appropriations in FY 2003 through FY 2006.

(1) Lapse of \$ 4,707,831 is excess authority.

(2) Lapse of \$ 9,328,242 is excess authority.

(3) Increase in expenditures is due to tax increase. Tax increase was needed to fund the Medicaid rate increase.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****NURSING FACILITY FED REIMB AL**

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**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	PD	0.00	0	0	217,000,000	217,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>217,000,000</b>	<b>217,000,000</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PD	0.00	0	0	217,000,000	217,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>217,000,000</b>	<b>217,000,000</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	0	0	217,000,000	217,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>217,000,000</b>	<b>217,000,000</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NURSING FACILITY FED REIMB AL								
CORE								
PROGRAM DISTRIBUTIONS	235,281,414	0.00	217,000,000	0.00	217,000,000	0.00	217,000,000	0.00
TOTAL - PD	235,281,414	0.00	217,000,000	0.00	217,000,000	0.00	217,000,000	0.00
GRAND TOTAL	\$235,281,414	0.00	\$217,000,000	0.00	\$217,000,000	0.00	\$217,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$235,281,414	0.00	\$217,000,000	0.00	\$217,000,000	0.00	\$217,000,000	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: Nursing Facilities Federal Reimbursement Allowance (NFFRA) Payments**

**Program is found in the following core budget(s): Nursing Facilities Federal Reimbursement Allowance (NFFRA) Payments**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides enhanced payments for long-term care for Title XIX recipients.*

In FY95, the Nursing Facilities Federal Reimbursement Allowance program was implemented as part of a total restructuring of reimbursement for nursing homes. Reimbursement methodologies were changed to develop a cost component system. The components are patient care, ancillary, administration, and capital. A working capital allowance, incentives and the Nursing Facility Reimbursement Allowance (NFRA) are also elements of the total reimbursement rate. Patient care includes nursing, medical supplies, activities, social services, and dietary costs. Ancillary services are therapies, barber and beauty shop, laundry, and housekeeping. Administration includes plant operation costs and administrative costs. Capital costs are reimbursed through a fair rental value methodology. The capital component includes five types of costs: rental value, return, computed interest, borrowing costs and pass through expenses. Property insurance and property/personal taxes (the pass through expenses) are the only part of the capital component that is trended. The working capital allowance per diem rate is equal to 1.1 months of the total of the facility's per diem rates for the patient care, ancillary and administration cost components times the prime rate plus 2 percent. Incentives are paid to encourage patient care expenditures and cost efficiencies in ancillary and administrative. The patient care incentive is 10% of a facility's patient care costs up to a maximum of 130% of the patient care median. The ancillary incentive is paid to all facilities whose costs are below the ceiling rate. The amount is one-half the difference between certain parameters. The multiple component incentive is allowed for facilities whose patient care and ancillary costs are between 60 - 80% of total costs and an additional amount is allowed for facilities with high Medicaid utilization.

The NFFRA program assesses nursing facilities in the state a fee for the privilege of doing business in the state. The fee is used as state match for federal funding. In FY 05, approximately 550 nursing facilities were assessed, and an average of 500 nursing facilities participated in the Medicaid program and received enhanced reimbursement. The current NFFRA fee is \$8.42 per patient occupancy day.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 198.401; Federal law: Social Security Act Section 1903(w); Federal Regulation: 42 CFR 443, Subpart B

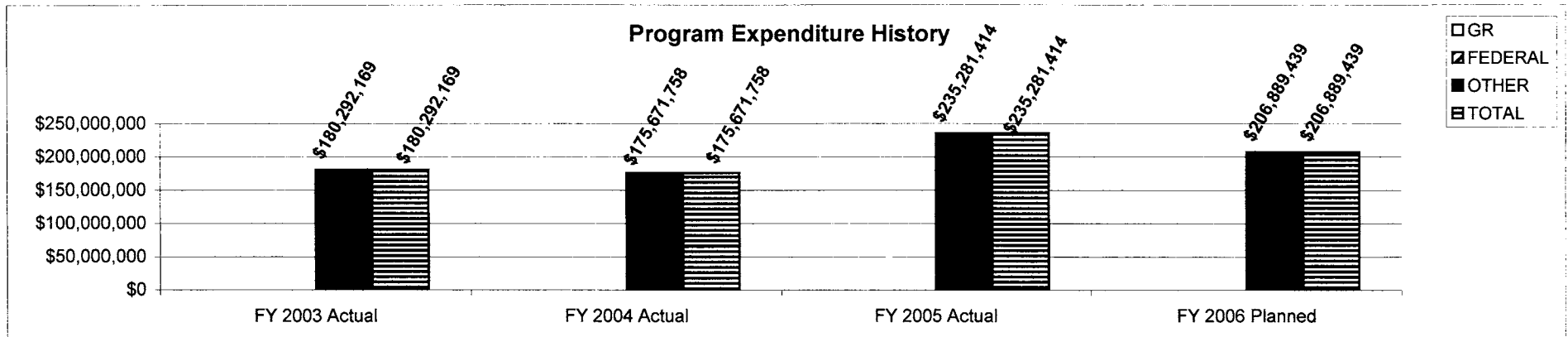
### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY07 is a blended 61.68% federal match. The state matching requirement is 38.32%. The nursing facility assessments serve as the general revenue equivalent to earn Medicaid federal reimbursement.

### 4. Is this a federally mandated program? If yes, please explain.

No.

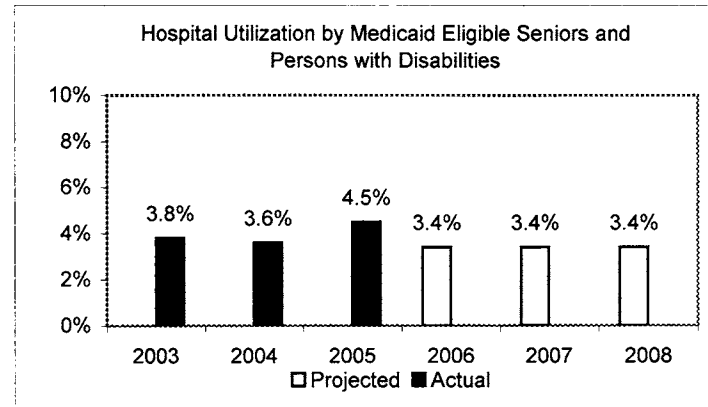
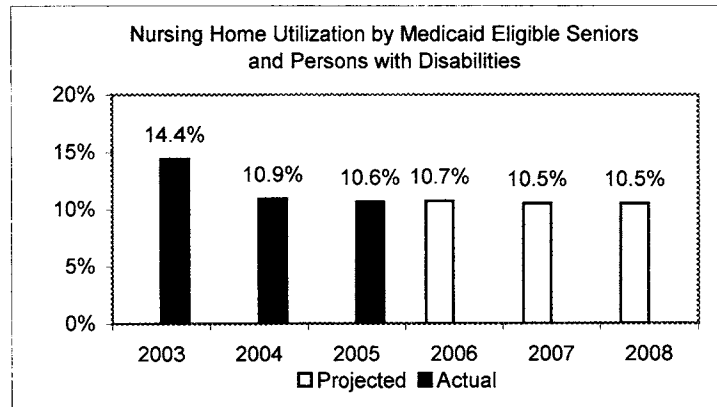
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Nursing Facility Federal Reimbursement Allowance Fund (0196)

**7a. Provide an effectiveness measure.**



Nursing Facility Occupancy		
SFY	Actual	Projected
2003	73.3%	
2004	72.5%	
2005	72.8%	
2006		72.8%
2007		72.8%
2008		73.0%

**7b. Provide an efficiency measure.**

NFRA Tax Assessments Revenues Obtained	
SFY	
2003	\$114.8 mil
2004	\$129.0 mil
2005	\$140.5 mil
2006	\$127.8 mil estimated
2007	
2008	

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Nursing Facility Federal Reimbursement Allowance  
(NFFRA) payments are made on behalf of  
Medicaid eligibles for long-term care services.

Average Monthly Medicaid Nursing Facility Users		
SFY	Actual	Projected
2003	24,970	26,674
2004	24,694	25,469
2005	25,677	24,500
2006		26,447
2007		26,447
2008		26,447

Paid Patient Days		
SFY	Actual	Projected
2003	9.1 mil	9.3 mil
2004	8.9 mil	9.2 mil
2005	8.9 mil	9.1 mil
2006		9.0 mil
2007		9.0 mil
2008		9.1 mil

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DESE SERVICES</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	69,954	0.00	69,954	0.00	69,954	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	33,299,954	0.00	33,299,954	0.00	33,299,954	0.00
TOTAL - PD	0	0.00	33,369,908	0.00	33,369,908	0.00	33,369,908	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>33,369,908</b>	<b>0.00</b>	<b>33,369,908</b>	<b>0.00</b>	<b>33,369,908</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$33,369,908</b>	<b>0.00</b>	<b>\$33,369,908</b>	<b>0.00</b>	<b>\$33,369,908</b>	<b>0.00</b>

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: Department of Elementary and Secondary Education (DESE) Services

Budget Unit Number: 90569C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE					EE				
PSD	69,954	33,299,954		33,369,908	PSD	69,954	33,299,954		33,369,908
Total	69,954	33,299,954		33,369,908	Total	69,954	33,299,954		33,369,908
FTE				0.00	FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds:

Other Funds:

Note: An "E" is requested for federal fund authority.

Note: An "E" is requested for federal fund authority.

## 2. CORE DESCRIPTION

This core request is for the ongoing funding for payments for school-based administrative and school-based EPSDT services.

A goal of the Missouri Medicaid program is for each child to be healthy. The purpose of the services provided by the school is to ensure a comprehensive, preventative health care program for Medicaid eligible children. The program provides early and periodic (EPSDT) medical/dental screenings, diagnosis and treatment to correct or improve defects and chronic conditions found during the screenings.

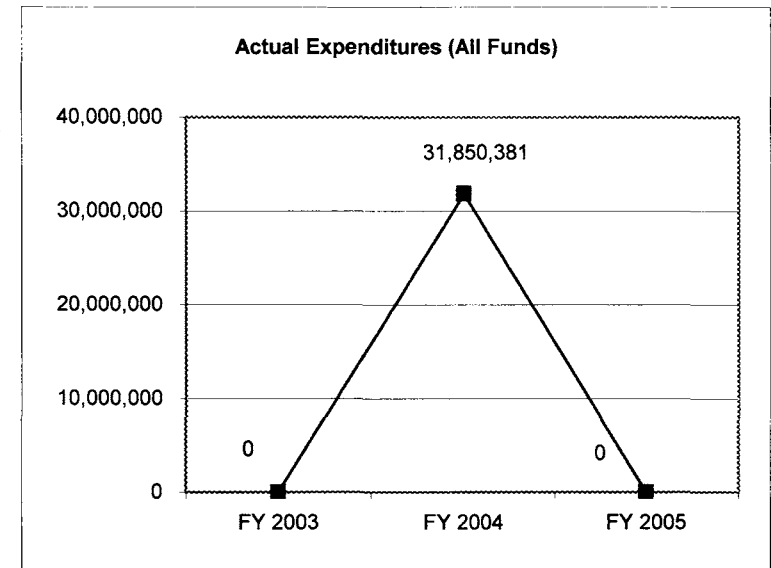
## 3. PROGRAM LISTING (list programs included in this core funding)

DESE Services

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	0	33,230,000	0	33,369,908 E
Less Reverted (All Funds)				N/A
Budget Authority (All Funds)	0	33,230,000	0	N/A
Actual Expenditures (All Funds)	0	31,850,381	0	N/A
Unexpended (All Funds)	0	1,379,619	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal		1,379,619		N/A
Other		0		N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Expenditures totaling \$30.2 million paid from Physician's and Rehab and Specialty Sections.

(2) Funding for DESE services transferred to one section - DESE Services.

(3) Funding appropriated in the Department of Elementary and Secondary Education's budget.

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**CORE RECONCILIATION**

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**DEPARTMENT OF SOCIAL SERVICES****DESE SERVICES**

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**5. CORE RECONCILIATION**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	PD	0.00	69,954	33,299,954	0	33,369,908	
	<b>Total</b>	<b>0.00</b>	<b>69,954</b>	<b>33,299,954</b>	<b>0</b>	<b>33,369,908</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PD	0.00	69,954	33,299,954	0	33,369,908	
	<b>Total</b>	<b>0.00</b>	<b>69,954</b>	<b>33,299,954</b>	<b>0</b>	<b>33,369,908</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	69,954	33,299,954	0	33,369,908	
	<b>Total</b>	<b>0.00</b>	<b>69,954</b>	<b>33,299,954</b>	<b>0</b>	<b>33,369,908</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DESE SERVICES								
CORE								
PROGRAM DISTRIBUTIONS	0	0.00	33,369,908	0.00	33,369,908	0.00	33,369,908	0.00
TOTAL - PD	0	0.00	33,369,908	0.00	33,369,908	0.00	33,369,908	0.00
GRAND TOTAL	\$0	0.00	\$33,369,908	0.00	\$33,369,908	0.00	\$33,369,908	0.00
GENERAL REVENUE	\$0	0.00	\$69,954	0.00	\$69,954	0.00	\$69,954	0.00
FEDERAL FUNDS	\$0	0.00	\$33,299,954	0.00	\$33,299,954	0.00	\$33,299,954	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Department of Elementary and Secondary Education (DESE)

Program is found in the following core budget(s): Department of Elementary and Secondary Education (DESE)

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides funding for payments for school-based administrative services and school-based EPSDT services.*

The Department of Elementary and Secondary Education (DESE) core appropriation provides funding for payment for school-based administrative services and school-based EPSDT services consisting of medical/dental screenings, diagnosis and treatment to correct or improve defects and chronic conditions. An interagency agreement is in place between the Division of Medical Services and the DESE so that cooperative efforts would be used to provide the most efficient administration of the EPSDT program. The provision of EPSDT administration by DESE has been determined to be an effective method of coordinating services and improving care associated with providing identified services which are beyond the scope of the state plan but which are medically necessary and Medicaid covered services. The federal share of expenditures for these services provided by DESE are being paid through this appropriation.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

The authority for this appropriation is the authority associated with the services reflected above.

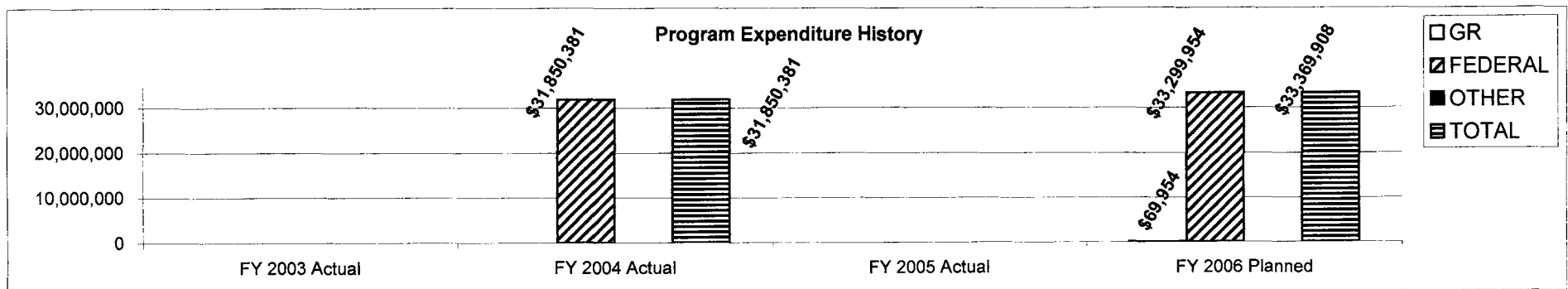
### 3. Are there federal matching requirements? If yes, please explain.

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding. States can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY 07 is a blended 61.68% federal match. The state matching requirement is 38.32%.

### 4. Is this a federally mandated program? If yes, please explain.

No.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



\*FY2005 appropriation transferred to the Department of Elementary and Secondary Education

**6. What are the sources of the "Other " funds?**

N/A

**7a. Provide an effectiveness measure.**

**7b. Provide an efficiency measure.**

**7c. Provide the number of clients/individuals served, if applicable.**

Participating School Districts		
SFY	Actual	Projected
2003	300	
2004	319	
2005	358	
2006		
2007		380
2008		380

Eligibles:  
Any school district in the state.

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

# DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>STATE MEDICAL</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	172,800	0.00	2	0.00	2	0.00	2	0.00	
HEALTH INITIATIVES	6,650	0.00	0	0.00	0	0.00	0	0.00	
TOTAL - EE	179,450	0.00	2	0.00	2	0.00	2	0.00	
PROGRAM-SPECIFIC									
GENERAL REVENUE	36,967,368	0.00	25,328,616	0.00	24,773,533	0.00	24,773,533	0.00	
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	846,090	0.00	535,223	0.00	535,223	0.00	
HEALTH INITIATIVES	48,030	0.00	353,437	0.00	353,437	0.00	353,437	0.00	
TOTAL - PD	37,015,398	0.00	26,528,143	0.00	25,662,193	0.00	25,662,193	0.00	
<b>TOTAL</b>	<b>37,194,848</b>	<b>0.00</b>	<b>26,528,145</b>	<b>0.00</b>	<b>25,662,195</b>	<b>0.00</b>	<b>25,662,195</b>	<b>0.00</b>	
<b>Pharmacy Inflation/New Drugs - 1886010</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	846,637	0.00	712,958	0.00	
TOTAL - PD	0	0.00	0	0.00	846,637	0.00	712,958	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>846,637</b>	<b>0.00</b>	<b>712,958</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$37,194,848</b>	<b>0.00</b>	<b>\$26,528,145</b>	<b>0.00</b>	<b>\$26,508,832</b>	<b>0.00</b>	<b>\$26,375,153</b>	<b>0.00</b>	

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: State Medical Services

Budget Unit Number: 90585C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request				
	GR	Federal	Other	Total
PS				
EE	2			2
PSD	24,773,533		888,660	25,662,193
Total	24,773,535		888,660	25,662,195
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Health Initiative Fund (HIF) (0275)  
 Pharmacy Reimbursement Allowance (0144)

FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total
PS				
EE	2			2
PSD	24,773,533		888,660	25,662,193
Total	24,773,535		888,660	25,662,195
FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Health Initiative Fund (HIF) (0275)  
 Pharmacy Reimbursement Allowance (0144)

## 2. CORE DESCRIPTION

This core request is for the continued funding of the fee-for-service programs for the State Medical eligibles. Funding is necessary to provide health care services to this population.

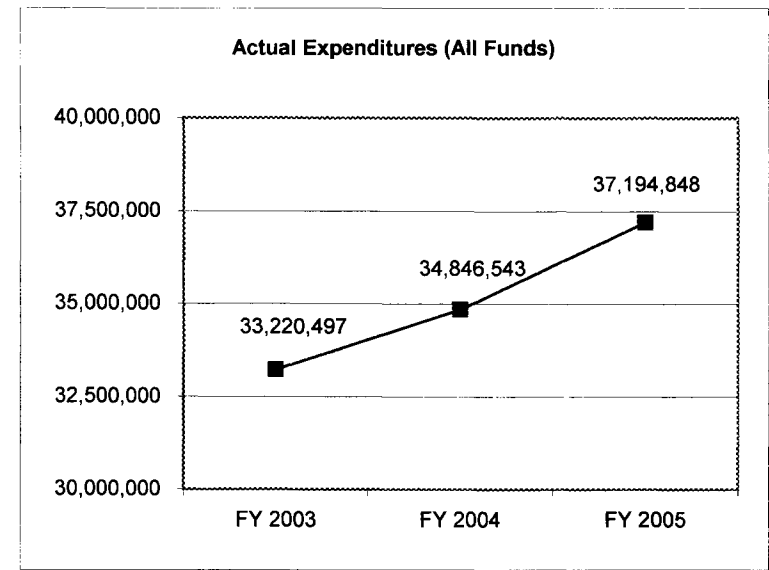
## 3. PROGRAM LISTING (list programs included in this core funding)

State Medical Services

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	33,220,497	36,744,182	38,339,695	26,528,145
Less Reverted (All Funds)	0	(10,603)	(10,603)	N/A
Budget Authority (All Funds)	33,220,497	36,733,579	38,329,092	N/A
Actual Expenditures (All Funds)	33,220,497	34,846,543	37,194,848	N/A
Unexpended (All Funds)	0	1,887,036	1,134,244	N/A
Unexpended, by Fund:				
General Revenue		698,112	0	N/A
Federal		0	0	N/A
Other		1,188,924	1,134,244	N/A
	(1)	(2)	(3)	



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

(1) Expenditures of \$1,774,180 were paid from the Supplemental Pool

(2) Lapse of \$ 846,090 is excess Pharmacy Reimbursement Allowance Funds. There was no cash to support PFRA authority. Lapse of \$ 342,834 is excess Health Initiative Funds.

(3) Lapse of \$ 846,090 is excess Pharmacy Reimbursement Allowance Funds. Lapse of \$ 288,154 is excess Health Initiative Funds.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES  
STATE MEDICAL**

**5. CORE RECONCILIATION**

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>							
	EE	0.00	2	0	0	2	
	PD	0.00	25,328,616	0	1,199,527	26,528,143	
	<b>Total</b>	<b>0.00</b>	<b>25,328,618</b>	<b>0</b>	<b>1,199,527</b>	<b>26,528,145</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>							
Core Reduction	[#911] PD	0.00	(555,083)	0	(310,867)	(865,950)	Annualize savings from elimination of General Relief State Medical program. One month savings in FY 2007. OF is Pharm FRA.
<b>NET DEPARTMENT CHANGES</b>		<b>0.00</b>	<b>(555,083)</b>	<b>0</b>	<b>(310,867)</b>	<b>(865,950)</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	EE	0.00	2	0	0	2	
	PD	0.00	24,773,533	0	888,660	25,662,193	
	<b>Total</b>	<b>0.00</b>	<b>24,773,535</b>	<b>0</b>	<b>888,660</b>	<b>25,662,195</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	EE	0.00	2	0	0	2	
	PD	0.00	24,773,533	0	888,660	25,662,193	
	<b>Total</b>	<b>0.00</b>	<b>24,773,535</b>	<b>0</b>	<b>888,660</b>	<b>25,662,195</b>	

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
STATE MEDICAL								
CORE								
PROFESSIONAL SERVICES	179,450	0.00	2	0.00	2	0.00	2	0.00
TOTAL - EE	179,450	0.00	2	0.00	2	0.00	2	0.00
PROGRAM DISTRIBUTIONS	37,015,398	0.00	26,528,143	0.00	25,662,193	0.00	25,662,193	0.00
TOTAL - PD	37,015,398	0.00	26,528,143	0.00	25,662,193	0.00	25,662,193	0.00
GRAND TOTAL	\$37,194,848	0.00	\$26,528,145	0.00	\$25,662,195	0.00	\$25,662,195	0.00
GENERAL REVENUE	\$37,140,168	0.00	\$25,328,618	0.00	\$24,773,535	0.00	\$24,773,535	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$54,680	0.00	\$1,199,527	0.00	\$888,660	0.00	\$888,660	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**Program Name: State Medical**

**Program is found in the following core budget(s): State Medical**

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides payment for services for State Medical eligibles. State Medical eligibles are individuals who do not meet categorical criteria for Title XIX.*

The State Medical program, funded solely by state funds, provides health care services for individuals who do not meet categorical eligibility criteria for Title XIX. State Medical recipients are in one of four categories of eligibility: Child Welfare Services (CWS); Blind Pension (BP); Presumptive Eligibility for Pregnant Women; or medical care for youth in the custody of the Division of Youth Services (DYS-GR). The unique aspect of the State Medical appropriation is that payments are made for certain eligibility groups only, but for nearly all the same services which are reimbursed for Title XIX eligibles.

All Medical Assistance programs which are available through the Title XIX program are also available through the State Medical program with the exception of the following: Buy-In, HIPP, transplant and NEMT.

Child Welfare Services (CWS) - These eligibles are children who are in the legal care and custody of the Children's Division and have been placed in foster care but are not eligible for MAF - Foster Care Medicaid payments (not eligible for federal Title IV-E through the Children's Division). These children are identified as Homeless, Dependent, and Neglected (HDN), but due to income standards are not eligible for federal Title XIX medical assistance.

Blind Pension (BP) - The Blind Pension program was established in 1921 and is financed entirely by state funds. This program provides assistance for blind persons who do not qualify under the supplemental aid to the blind law and who are not eligible for Supplemental Security Income (SSI) benefits. Each eligible person receives a monthly cash grant (Family Support Division appropriation) and State Medical assistance. In order to qualify for the BP program, a person must meet all of the following eligibility requirements: 18 years of age or older; living in the state; has not given away, sold or transferred real or personal property worth more than \$20,000; is of good moral character; has no sighted spouse living in Missouri who can provide support; does not publicly solicit alms; is determined blind as defined by RSMo. 290.040; is found to be ineligible for Supplemental Aid to the Blind; is willing to have medical treatment or an operation to cure blindness (unless he/she is 75 years of age or older); is not a resident of a public, private, or endowed institution except a public medical institution; and is found ineligible to receive federal Supplemental Security Income (SSI) benefits.

Presumptive Eligibility for Pregnant Women - This is a temporary eligibility program that covers services provided to pregnant women while they wait for formal determination of Medicaid eligibility. The recipient is State Medical eligible from the time of eligibility rejection to the end of the temporary eligibility period. These recipients may receive ambulatory prenatal care to include the following services: physician/clinic, nurse midwife, diagnostic lab and x-ray, pharmacy, and outpatient hospital services.

Division of Youth Services - General Revenue (DYS-GR) - This program covers youth in the legal custody of the Division of Youth Services (DYS) who reside in facilities of 25 beds or more (and thus cannot qualify for Medicaid coverage since they reside in an institutional setting). Every youth that is committed to DHS is originally set up in this category for medical coverage. When the residential setting is determined, if the commitment is to a facility of 25 beds or more, then the child remains eligible for DHS-GR. Otherwise, eligibility is established for Title XIX Medicaid for those children committed to facilities with less than 25 beds. Children placed in a not-for-profit residential group facility (RGF) by a juvenile court are Medicaid eligible during their term of placement. Children who are placed in such homes by their parent(s), and who are already eligible for Medicaid coverage, will continue to receive Medicaid benefits while in the group.

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.151, 208.152, 191.831

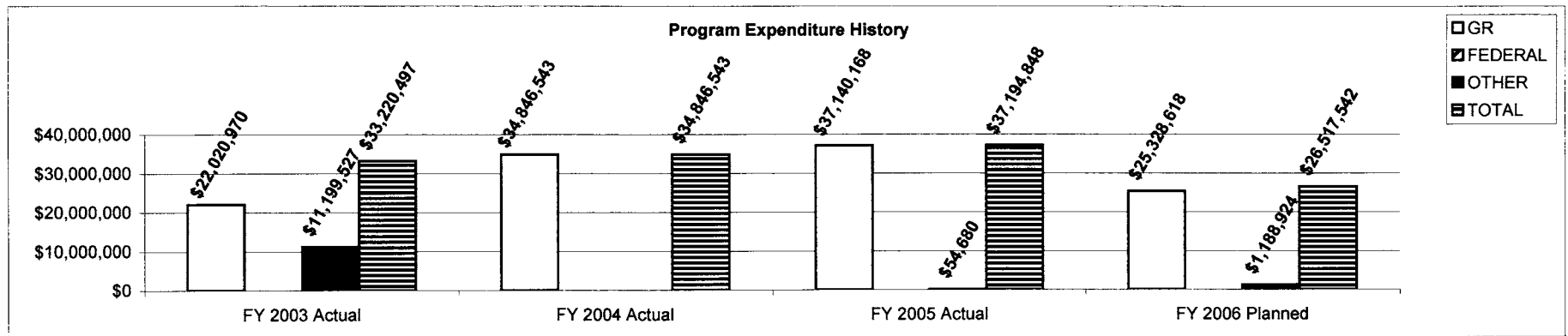
**3. Are there federal matching requirements? If yes, please explain.**

No.

**4. Is this a federally mandated program? If yes, please explain.**

No.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Health Initiatives Fund (0275) and Pharmacy Federal Reimbursement Allowance Fund (0144).

**7a. Provide an effectiveness measure.**

This appropriation represents a group of eligibles and not one program. Effectiveness measures affecting the State Medical appropriation are incorporated into fee-for-service program sections.

**7b. Provide an efficiency measure.**

This appropriation represents a group of eligibles and not one program. Efficiency measures affecting the State Medical appropriation are incorporated into fee-for-service program sections.

**7c. Provide the number of clients/individuals served, if applicable.**

Eligibles:

Eligibles include Child Welfare Services, Blind Pension, Presumptive Eligibility for Pregnant Women, Division of Youth Services General Revenue

State Medical Recipients by Category								
SFY	Child Welfare Services		Blind Pension		Presumptive Eligibility For Pregnant Women		DYS - GR	
	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected
2003	583	489	2,839	2,791	1,377	0	576	596
2004	615	583	2,835	2,791	1,330	0	564	576
2005	677	630	2,857	2,839	1,477	0	504	576
2006		745		3,143		1,580		510
2007		820		3,143		1,580		510
2008		902		3,143		1,580		510

**7d. Provide a customer satisfaction measure, if available.**



# FY07 Department of Social Services Report #9

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>MEDICAID SUPP POOL</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	36,590	0.00	0	0.00	0	0.00	0	0.00	
TITLE XIX-FEDERAL AND OTHER	789,960	0.00	150,000	0.00	150,000	0.00	150,000	0.00	
THIRD PARTY LIABILITY COLLECT	961,557	0.00	150,000	0.00	150,000	0.00	150,000	0.00	
TOTAL - EE	1,788,107	0.00	300,000	0.00	300,000	0.00	300,000	0.00	
PROGRAM-SPECIFIC									
GENERAL REVENUE	49,955,036	0.00	0	0.00	0	0.00	0	0.00	
TITLE XIX-FEDERAL AND OTHER	109,844,048	0.00	23,957,486	0.00	23,957,486	0.00	23,957,486	0.00	
UNCOMPENSATED CARE FUND	0	0.00	1	0.00	1	0.00	1	0.00	
PHARMACY REBATES	0	0.00	1	0.00	1	0.00	1	0.00	
THIRD PARTY LIABILITY COLLECT	461,958	0.00	7,421,156	0.00	7,421,156	0.00	7,421,156	0.00	
INTERGOVERNMENTAL TRANSFER	10,421,630	0.00	0	0.00	0	0.00	0	0.00	
FEDERAL REIMBURSEMENT ALLOWANCE	0	0.00	1	0.00	1	0.00	1	0.00	
NURSING FACILITY FED REIM ALLW	0	0.00	181,500	0.00	181,500	0.00	181,500	0.00	
PREMIUM	3,300,000	0.00	3,837,940	0.00	3,837,940	0.00	3,837,940	0.00	
TOTAL - PD	173,982,672	0.00	35,398,085	0.00	35,398,085	0.00	35,398,085	0.00	
<b>TOTAL</b>	<b>175,770,779</b>	<b>0.00</b>	<b>35,698,085</b>	<b>0.00</b>	<b>35,698,085</b>	<b>0.00</b>	<b>35,698,085</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$175,770,779</b>	<b>0.00</b>	<b>\$35,698,085</b>	<b>0.00</b>	<b>\$35,698,085</b>	<b>0.00</b>	<b>\$35,698,085</b>	<b>0.00</b>	

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# CORE DECISION ITEM

Department: Social Services  
 Division: Medical Services  
 Appropriation: Medicaid Supplemental Pool

Budget Unit Number: 90582C

## 1. CORE FINANCIAL SUMMARY

FY 2007 Budget Request					FY 2007 Governor's Recommendation				
	GR	Federal	Other	Total		GR	Federal	Other	Total
PS					PS				
EE		150,000	150,000	300,000	EE		150,000	150,000	300,000
PSD		23,957,486	11,440,599	35,398,085	PSD		23,957,486	11,440,599	35,398,085
Total		24,107,486	11,590,599	35,698,085	Total		24,107,486	11,590,599	35,698,085
FTE				0.00	FTE				0.00

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Third Party Liability Collections (TPL) (0120)  
 Premium Fund (0885)  
 Nursing Facility Federal Reimbursement Allowance (NFRA) (0196)  
 Uncompensated Care Fund (UCF) (0108)  
 Pharmacy Rebate Fund (0114)  
 Federal Reimbursement Allowance (FRA) Fund (0142)

Notes: An "E" is requested for Uncompensated Care Fund, Pharmacy Rebates Fund and the Federal Reimbursement Allowance Fund.  
 An "E" is requested for the Federal Fund.

Other Funds: Third Party Liability Collections (TPL) (0120)  
 Premium Fund (0885)  
 Nursing Facility Federal Reimbursement Allowance (NFRA) (0196)  
 Uncompensated Care Fund (UCF) (0108)  
 Pharmacy Rebate Fund (0114)  
 Federal Reimbursement Allowance (FRA) Fund (0142)

Notes: An "E" is requested for Uncompensated Care Fund, Pharmacy Rebates Fund and the Federal Reimbursement Allowance Fund.  
 An "E" is requested for the Federal Fund.

## 2. CORE DESCRIPTION

This core request is for the continued funding of the Medicaid Supplemental Pool. The Supplemental Pool is needed to enable the division to respond to unanticipated changes in the cost of providing health care to Medicaid recipients.

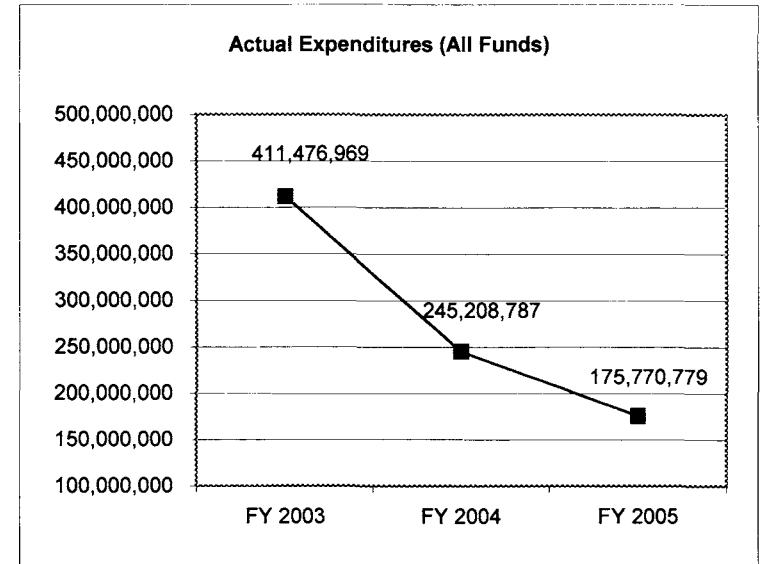
## 3. PROGRAM LISTING (list programs included in this core funding)

Supports Medicaid Program

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Current Yr.
Appropriation (All Funds)	412,074,608	255,351,411	300,979,620	35,698,085 E
Less Reverted (All Funds)				N/A
Budget Authority (All Funds)	412,074,608	255,351,411	300,979,620	N/A
Actual Expenditures (All Funds)	411,476,969	245,208,787	175,770,779	N/A
Unexpended (All Funds)	597,639	10,142,624	125,208,841	N/A
Unexpended, by Fund:				
General Revenue	8,841	0	5,430,992	N/A
Federal	547,848	7,460,141	77,332,395	N/A
Other	40,950	2,682,483	42,445,454	N/A
	(1) (2)	(3)	(4) (5) (6)	(4)



Reverted includes Governor's standard 3 percent reserve (when applicable) and any extraordinary withholdings.

### NOTES:

- (1) Lapse of \$547,848 is excess federal authority. FY2003 expenditures included \$144.3 million for UPL Maximization Transactions.
- (2) Includes UPL Maximization Transactions of \$144.3 million.
- (3) Lapse of \$5,587,602 is excess federal authority. Lapse of \$1,381,645 is excess Third Party Liability authority.
- (4) FY05 and FY06 only years with Estimated "E" appropriations. "E"s for UCF fund, Pharmacy Rebate fund, FRA fund and Federal fund.
- (5) FY05 unexpended includes \$85 million (\$33 million in IGT and \$52 million Federal funds) disproportionate share hospital maximization. The cash was earned in another manner.
- (6) Lapsed authority appropriated for Medicaid program expenditures was \$5.4 million GR; \$6.1 million Third Party Liability and \$21.3 million Federal funds.

**CORE RECONCILIATION**

**DEPARTMENT OF SOCIAL SERVICES**

**MEDICAID SUPP POOL**

**5. CORE RECONCILIATION**

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>							
	EE	0.00	0	150,000	150,000	300,000	
	PD	0.00	0	23,957,486	11,440,599	35,398,085	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>24,107,486</b>	<b>11,590,599</b>	<b>35,698,085</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	EE	0.00	0	150,000	150,000	300,000	
	PD	0.00	0	23,957,486	11,440,599	35,398,085	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>24,107,486</b>	<b>11,590,599</b>	<b>35,698,085</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	EE	0.00	0	150,000	150,000	300,000	
	PD	0.00	0	23,957,486	11,440,599	35,398,085	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>24,107,486</b>	<b>11,590,599</b>	<b>35,698,085</b>	

# CORE DECISION ITEM

## 4. FINANCIAL HISTORY

### Supplemental Pool Payments By Services

	FY 2003	FY 2004	FY 2005
Pharmacy	\$50,633,763	\$55,667,493	\$5,079,767
Physician	\$85,859,361	\$60,051,457	\$66,614,598
Dental	\$12,859,685	\$22,786,492	\$5,246,342
Premium Payments	\$798,847	\$3,708,058	\$6,926,710
Home & Community Based Services	\$0	\$40,116	\$0
Nursing Facilities	\$4,267,871	\$380,000	\$10,488,972
Telephone Reassurance	\$0	\$0	\$2,097
Rehab & Specialty Services	\$19,416,208	\$22,442,764	\$21,784,471
Non-Emergency Medical Transportation	\$6,026,485	\$13,677,899	\$0
Managed Care	\$59,186,201	\$8,675,665	\$4,447,408
Hospital Care	\$26,167,396	\$10,737,113	\$24,843,767
1115 Waiver - Adults	\$0	\$369,721	\$0
1115 Waiver - Children	\$235,972	\$16,345,048	\$3,399,176
DESE Services	\$0	\$0	\$25,852
State Medical	\$1,774,180	\$0	\$0
UPL Maximization Transactions	\$144,251,000	\$0	\$0
Total	\$411,476,969	\$214,881,826	\$148,859,160

# FY07 Department of Social Services Report #10

## DECISION ITEM DETAIL

Budget Unit	FY 2005	FY 2005	FY 2006	FY 2006	FY 2007	FY 2007	FY 2007	FY 2007
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MEDICAID SUPP POOL</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	1,788,107	0.00	300,000	0.00	300,000	0.00	300,000	0.00
TOTAL - EE	1,788,107	0.00	300,000	0.00	300,000	0.00	300,000	0.00
PROGRAM DISTRIBUTIONS	173,982,672	0.00	35,398,085	0.00	35,398,085	0.00	35,398,085	0.00
TOTAL - PD	173,982,672	0.00	35,398,085	0.00	35,398,085	0.00	35,398,085	0.00
<b>GRAND TOTAL</b>	<b>\$175,770,779</b>	<b>0.00</b>	<b>\$35,698,085</b>	<b>0.00</b>	<b>\$35,698,085</b>	<b>0.00</b>	<b>\$35,698,085</b>	<b>0.00</b>
GENERAL REVENUE	\$49,991,626	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$110,634,008	0.00	\$24,107,486	0.00	\$24,107,486	0.00	\$24,107,486	0.00
OTHER FUNDS	\$15,145,145	0.00	\$11,590,599	0.00	\$11,590,599	0.00	\$11,590,599	0.00



## PROGRAM DESCRIPTION

Department: Social Services

Program Name: Medicaid Supplemental Pool

Program is found in the following core budget(s): Medical Supplemental Pool

### 1. What does this program do?

*PROGRAM SYNOPSIS: Provides funding for the division to respond to unanticipated changes in the cost of providing health care to Medicaid recipients.*

The Medicaid Supplemental Pool Section was the result of rapidly expanding Medicaid eligibles and unpredictability of resulting costs. Substantial supplemental budget requests in successive years prompted the Missouri state legislature to appropriate funding for unanticipated Medicaid expenditures. Typically, the supplemental pool has been utilized by the legislature to appropriate funding under certain unique circumstances. These include funding for major one-time program expenditures, such as residual claims, and funding to be made available for unanticipated fee-for-service and/or managed care expenditures.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

The legal authority for the Supplemental Pool is the authority associated with each Medicaid program. See each program description for the specific federal and state authority.

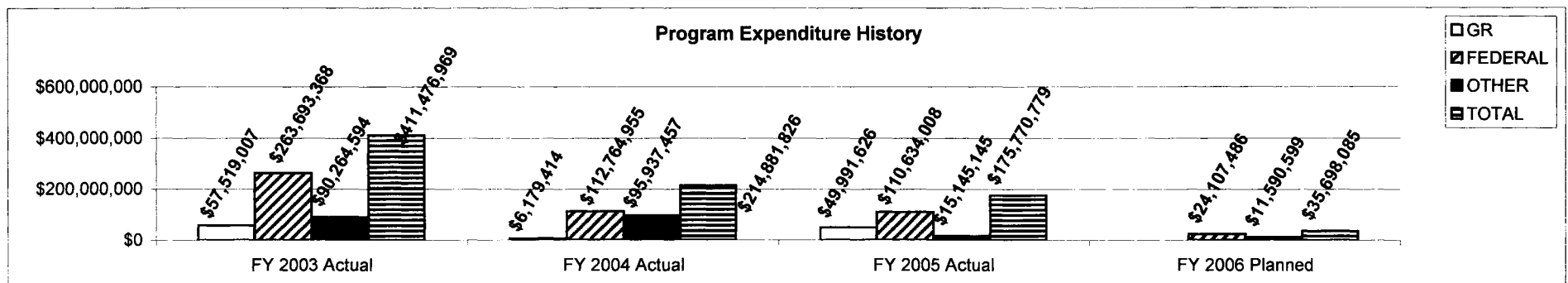
### 3. Are there federal matching requirements? If yes, please explain.

The federal matching requirements for the Medicaid Supplemental Pool are the requirements associated with any of the Medicaid programs paid from the supplemental pool. See each program description for specific federal matching requirements.

### 4. Is this a federally mandated program? If yes, please explain.

The Medicaid Supplemental Pool supports both mandated and non-mandated programs. See each program description for specifics.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Note: FY2003 actual expenditures include UPL maximization transactions

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**6. What are the sources of the "Other" funds?**

Third Party Liability Collections Fund (0120), Premium Fund (0885), Nursing Facility Federal Reimbursement Allowance Fund (0196), Uncompensated Care Fund (0108), Pharmacy Rebates Fund (0114), Federal Reimbursement Allowance Fund (0142) and Intergovernmental Transfer Fund (0139) not available in FY06.

**7a. Provide an effectiveness measure.**

This appropriation represents a group of eligibles and not one program. Effectiveness measures affecting the Medicaid Supplemental Pool appropriation are incorporated into fee-for-service program sections.

**7b. Provide an efficiency measure.**

This appropriation represents a group of eligibles and not one program. Efficiency measures affecting the Medicaid Supplemental Pool appropriation are incorporated into fee-for-service program sections.

**7c. Provide the number of clients/individuals served, if applicable.**

Supplemental Pool Expenditures		
SFY	Actual	Projected
2003	\$267.2 mil	
2004	\$214.9 mil	
2005	\$175.8 mil	\$35.7 mil
2006		\$35.7 mil
2007		\$35.7 mil
2008		\$35.7 mil

(Excludes UPL maximization transactions)

**7d. Provide a customer satisfaction measure, if available.**